

## CHARGES AGAINST THE MEMBERSHIP OF THE HOUSE.

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MARCH 29, 1910.—Ordered to be printed.

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Mr. STERLING, from the Committee on the Judiciary, submitted the following

### R E P O R T .

[To accompany H. Res. No. 543.]

On the 3d day of March, 1910, Mr. Halvor Steenerson, a Representative from the State of Minnesota, submitted to the House a resolution (H. Res. No. 482) calling for the appointment, by the Speaker, of a special committee of seven Members of the House, to investigate certain charges contained in the publications of the Merchant Marine League and in the Texas Farmer, a newspaper published at Dallas, Tex., reflecting on the honesty and integrity of the membership of this House in connection with proposed legislation relating to the American Merchant Marine, and other charges.

The committee, by a special subcommittee appointed for that purpose, heard all the evidence submitted to it by Mr. Steenerson. This evidence consists of statements made by Mr. Steenerson and Mr. Küssermann, and certain documentary evidence in the form of letters, newspaper articles, and articles from the publications of the Merchant Marine League; all of which is submitted herewith and made a part of this report.

From this evidence it appears that charges have been made reflecting on the honesty and integrity of Mr. Steenerson as a Member of this House, and of the membership of the House generally, in connection with proposed legislation relating to the American Merchant Marine. These charges are embodied in specific form in a resolution submitted herewith.

In the opinion of your committee these charges reflect seriously upon the membership of this House, and that the maintenance of the dignity and integrity of the House and its Members demand that an investigation of them be had. The committee therefore recommends the adoption of the resolution accompanying this report.

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**HEARING**

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE  
ON THE JUDICIARY

OF THE

HOUSE OF REPRESENTATIVES

61ST CONGRESS, 2D SESSION

IN RELATION TO

**H. RES. 482**

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### SUBCOMMITTEE

JOHN A. STERLING, CHAIRMAN.  
GEORGE R. MALBY. WILLIAM G. BRANTLEY.

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### MEMBERS OF THE COMMITTEE

RICHARD WAYNE PARKER, N. J., CHAIRMAN.	
CHARLES Q. TIRRELL, MASS.	FRANK M. NYE, MINN.
JOHN A. STERLING, ILL.	WILLIAM P. SHEFFIELD, R. I.
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GERRIT J. DIEKEMA, MICH.	ROBERT L. HENRY, TEX.
GEORGE R. MALBY, N. Y.	WILLIAM G. BRANTLEY, GA.
EDWIN W. HIGGINS, CONN.	CHARLES C. REID, ARK.
HERMAN P. GOEBEL, OHIO.	EDWIN Y. WEBB, N. C.
EDWIN DENBY, MICH.	CHARLES C. CARLIN, VA.
PAUL HOWLAND, OHIO.	
	JOHN W. BOSTWICK, JR., CLERK.

## SHIP SUBSIDY.

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[H. Res. 482. Sixty-first Congress, second session.]

Whereas the Merchant Marine League of the United States, whose headquarters are at Cleveland, Ohio, has an executive committee, of which the following-named persons are members: J. G. Butler, junior, of Cleveland, Ohio; Myron T. Herrick, of Cleveland, Ohio; J. J. Sullivan, of Cleveland, Ohio; John A. Penton, of Cleveland, Ohio; M. Andrews, of Cleveland, Ohio; E. C. Converse, of New York City; Samuel Mather, of Cleveland, Ohio; F. F. Prentiss, of Cleveland, Ohio; Ambrose Swasey, of Cleveland, Ohio; James H. Dempsey, of Cleveland, Ohio; Edward Hines, of Chicago, Illinois; D. Z. Norton, of Cleveland, Ohio; Abraham Stearn, of Cleveland, Ohio; George H. Worthington, of Cleveland, Ohio; Frank Billings, of Cleveland, Ohio; A. F. Estabrook, of Boston, Massachusetts; W. P. Murray, of Cleveland, Ohio; M. A. Potter, of Indianapolis, Indiana; and D. A. Tompkins, of Charlotte, North Carolina; and

Whereas said league has a branch organization in the State of California, of which R. P. Schwerin, vice-president and general manager of the Pacific Mail Steamship Company; John Barneson, of the Pacific Coast Steamship Company; George W. Dickie, general manager of the Union Iron Works; C. C. Moore, Albert E. Castle, and Andrew Carrigan, all of San Francisco, in said State, are members; and

Whereas said persons are engaged in issuing pamphlets, periodicals, and magazine devoted to the advancement and agitation of legislation to increase appropriations by Congress for ocean mail service and for ship subsidies generally; and

Whereas it is alleged that said persons have conspired and confederated together for the purpose of unduly and improperly influencing Congress and the Members thereof and creating hostility against all persons opposed to said legislation; and

Whereas it is further alleged that in pursuance of the object and purposes of said conspiracy the said persons have raised by subscription and solicitation from interested persons a large sum of money which has been used and is being used in said cause and in futherance thereof; and

Whereas that pursuant to said conspiracy said persons, their agents and servants, have, during the last two years, frequently and repeatedly solicited and urged the Member of this House from the Ninth Congressional District of Minnesota, to favor and support said legislation and to express himself thereon; and

Whereas it is further charged that said persons, their servants, employees, and agents, in furtherance of said conspiracy, in October, nineteen hundred and nine, sent money to a citizen of Crookston, Minnesota, where said Member resides, in order to obtain information about the private affairs of said Member, especially as to his travels and trips abroad during the last five years, and after obtaining said information said persons caused said Member to be informed that said information was to be used in articles to appear and to be published by said persons and said league in the public press, all of which was done or caused to be done by said persons in furtherance of said conspiracy and to intimidate, terrify, and influence said Member by fear to change his position on said legislation, and to influence his vote and action in this House; and

Whereas it is charged that in furtherance of said conspiracy and in execution thereof said persons have caused the publication of the defamatory article, which was printed in the Congressional Record Tuesday, March first, nineteen hundred and ten; and said persons in further execution of said conspiracy now threaten said Member with further defamatory and libelous articles and publications and to send numerous letters to citizens and residents of the said Ninth Congressional District, defaming said Member and questioning his loyalty, patriotism, honesty, and fidelity, and otherwise, in letters and in the press, to libel and hold him up to ridicule and contempt for the purpose of influencing his vote in the House, and that said persons are threatening to continue said blackmailing campaign in order to terrify and intimidate said Member; and

Whereas it is charged that in furtherance of said conspiracy large sums of money have been and are being used and expended to employ writers for the press to prepare articles favorable to ship subsidy for publication, and to employ lobbyists to solicit and interview Members on said matter, and to pay campaign contributions to political parties and organizations, and influence elections of Members and others; and

Whereas it is charged in the publications purporting to be issued by the said Merchant Marine League, and also in the Texas Farmer, a newspaper published at Dallas, in the State of Texas, that large sums of money and corruption funds have been raised by foreign shipowners and ship companies for the purpose of corrupting and influencing Members of Congress against said ship-subsidy legislation, and which sums and funds are now being used to improperly influence Members of Congress on said subject (see H. Res. 184, present session): Now, therefore, be it

*Resolved*, That a committee of seven Members be appointed by the Speaker to investigate said charges as to whether or not said conspiracy exists, and what funds have been raised by said conspirators for political agitation, or for payment to political parties or organizations, or to influence newspapers to create sentiment in behalf of the cause, and what, if any, threats of libelous or scandalous articles, or what, if any, other intimidations have been used or threatened on Members of the House in order to influence or affect their vote or attitude on said subject, and also to investigate what, if any, improper means have been used either to promote or defeat said legislation in Congress.

*Resolved*, That said committee be empowered to sit during the sessions of the House or during the recess of Congress, to send for persons and papers, to administer oaths, and to do all other acts necessary to fully carry out the objects hereof, and to report their conclusions to the House.

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THE SUBCOMMITTEE OF THE  
COMMITTEE ON THE JUDICIARY,  
HOUSE OF REPRESENTATIVES,  
*Saturday, March 5, 1910.*

The subcommittee this day met.

Present: Hons. John A. Sterling (chairman), George R. Malby, and William G. Brantley.

The CHAIRMAN. You may proceed, Mr. Steenerson.

STATEMENT OF HON. HALVOR STEENERSON, A MEMBER OF  
CONGRESS FROM THE STATE OF MINNESOTA.

Mr. STEENERSON. Mr. Chairman, I am not sure that I know just exactly what the extent of the inquiry here will be, but I assume that this does not go to the extent of investigating the charges contained in the resolution, but simply whether or not these charges are being made and whether or not there is sufficient weight to them to justify a committee of Congress in investigating them.

Mr. BRANTLEY. I think we are somewhat in the nature of a court of inquiry, to determine whether or not there is probable cause for action.

Mr. STEENERSON. Somewhat analogous to that, I assume, and I am simply anxious to state my position, and if I am wrong be set right. If, for instance, charges are being made that there is a ship-subsidy lobby and corruption being used and those charges are being widely circulated and come from responsible persons, then, regardless of the fact whether they can ultimately or probably be established, there ought to be an investigation in order that the charges may be denied as being entirely unfounded.

The CHAIRMAN. Mr. Steenerson, was it your purpose to bring witnesses besides yourself to sustain the charges that are contained in the resolution?

Mr. STEENERSON. Documentary evidence and witnesses. As to the existence of this Merchant Marine League, I think their own publications show that they are an organization and that they are organized for the purpose of advancing ship-subsidy legislation. Anyway the letters which have been written to me asking me to support the ship-subsidy legislation and asking me to express my views, whether I am for or against it, will show that that is the purpose and object of the organization.

The CHAIRMAN. Let me suggest this, that you proceed with what you have to say and the committee can determine later on as to the scope and extent of the hearing. Is that your idea, Mr. Malby?

Mr. MALBY. Yes, sir. Let him present what he has.

Mr. STEENERSON. This [exhibiting] is the pamphlet containing the article. It shows the names of the members of the Merchant Marine League and says on its title page, "The American Flag. Issued by the Merchant Marine League of the United States. Pledged to the rebuilding of our ocean-going service. Cleveland, Ohio, December 1, 1909. No. 8." There is a cartoon of the President.

The CHAIRMAN. You offer that as a part of your evidence?

Mr. STEENERSON. Yes, sir.

(The same is attached hereto, marked "Exhibit A.")

Mr. BRANTLEY. Does that issue of December 1, 1909, contain the article you read in the House the other day?

Mr. STEENERSON. Yes, sir.

On page 3 of the pamphlet there is an article headed "Congressman Steenerson, of Minnesota." The headline of the article after "Congressman Steenerson, of Minnesota," is, "Does he represent the foreign shipping interests or his own district?" That is in large letters. Then it goes on to relate the fact that I have been in Congress and have been a member of the Committee on the Post-Office and Post-Roads for six years, and that it is fair to assume that I am thoroughly familiar with the subject of merchant-marine legislation.

Mr. BRANTLEY. The article was written in reply to a letter that you wrote?

Mr. STEENERSON. I will explain that. The Merchant Marine League sent a letter to a man in Minneapolis by the name of Force. I have the original letter, because Mr. Force sent it to me, but it is in another place.

Mr. MALBY. Can you furnish that letter, because that would seem to be the beginning of it?

Mr. STEENERSON. I have a copy of the letter.

Mr. MALBY. That will answer.

Mr. STEENERSON. The original letter is in court. I could probably get permission to remove it.

Mr. MALBY. I think if you say that you have a copy that will answer our purpose.

Mr. STEENERSON. I would like to submit that copy.

Mr. BRANTLEY. I think that letter should go in and then Mr. Steenerson's reply to that letter. Those are the things which led up to the inquiry.

Mr. MALBY. Yes, sir; and then the article itself.

Mr. STEENERSON. Would it be sufficient now for me to state the substance of that letter? This is the letter [exhibiting] from Mr. Penton, who appears to be the secretary of the Merchant Marine League.

The CHAIRMAN. Have it marked "Exhibit B."

Mr. STEENERSON. Yes, sir.

(The letter is hereto attached, marked "Exhibit B.")

Mr. STEENERSON. This is the first letter sent to Mr. Force, but before this letter was written—it was written June 30, 1909—I had received a letter from the Merchant Marine League, signed by Mr. Penton, urging me to support ship-subsidy legislation, although my position should have been well known, and asking me to write and tell them my views of the Merchant Marine League of the United States. Of course, this letter was written on the official stationery and I can produce the original when wanted; it is in the court [reads]:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, June 30, 1909.

Mr. E. A. FORCE,  
*Care United States Fidelity and Guaranty Company.*

DEAR SIR: The Merchant Marine League is very glad, indeed, to get your kind letter of June 26 and to hear that you are pleased with "The American Flag." Your name is on our mailing list and you will continue to receive the publication as long as it is issued.

The league is very hopeful that needful shipping legislation may be passed during the present Congress—perhaps some time next winter. We have been at work on the great problem for five years. We have had to overcome an immense amount of prejudice and misunderstanding. The newspapers and Democratic politicians have made the people believe that the only desideratum in this great question is "subsidies." The Merchant Marine League is not after "subsidies." It does want the settlement of the merchant marine. It does not want the flag restored to the salt seas.

I think the word "not" should not be there, but that is the way it is copied.

If there is any way that it can be done without subsidies, the Merchant Marine League is for it. We, however, have made a study of this great problem and we do not see how we can restore the flag to the ocean-going service unless we meet the competitive pace set by other nations.

The Democrats say: "Give us 'free trade,' give us 'free ships,' give us 'cheap labor,' and then we can build ships as cheaply here as they can be built abroad, and with the cheap labor on the same seas we can operate the ships as cheaply as foreign nations can operate them."

I do not think it is necessary for me to read all of this, I will just read that which refers to me:

The ocean mail bill that passed the Senate without dissent last spring was defeated by a vote of 175 to 172 in the House. Your Mr. Halvor Steenerson, Republican, of Crookston, Minn., Representative from the Ninth District, was one of the recalcitrant Republicans with the almost solid southern Democratic delegation to defeat legislation most vigorously urged by President Roosevelt and strongly urged by the then Secretary of War Taft, who is our President to-day. What is the matter with Mr. Steenerson? Why should he oppose a fine, strong American policy that means so much to his own State? Does not Mr. Steenerson realize that it is the foreign demand that sets the price on many of our home products, for if there were no foreign demand the prices would inevitably fall, because of the excess of production being dumped on the home market? Mr. Steenerson certainly knows that trade follows the flag, and why he should prefer the company of Democrats and the foreign shipping "plunderbund" that is taking \$300,000,000 a year annually from the people of this country is something we do not understand.

But there is to be an accounting very soon on this matter. The league is engaged in a tremendous educational campaign at present and does not propose that American interests shall longer be sacrificed at the benefit of the foreign shipping trust.

We are very glad to say that Mr. Steenerson is the only member of the Minnesota congressional delegation that has been unwilling to subscribe to the Republican national platform of the last twelve years, in each of which there has been a direct promise to enact such legislation as will restore the marine. Mr. Steenerson evidently cares nothing for the platform pledges of his party.

I presume that is "cares nothing for the platform pledges of his party" in the original.

The Hon. Frank Meellen Nye, your Representative in Congress, has always voted right on the merchant marine question. He is deserving of the respect and confidence of his constituents.

Since your congressional district is all O. K., we do not see what more you can do for us than to agitate this question whenever opportunity offers and make public opinion where and when you can.

Thanking you again for your kind letter, we are

Very truly, yours,

JOHN A. PENTON, *Secretary.*

I received that letter from Mr. Force, and I believe I have Mr. Force's letter.

The CHAIRMAN. That is the letter which the league wrote to Mr. Force, and he sent it to you?

Mr. STEENERSON. Yes, sir; he sent it to me. I have the original, which can be produced after a while if it is required. This was copied by my stenographer, and so I think there are only a few words wrong, but otherwise it is all right.

Now, I will say that Mr. Force's letter, if I should not be able to lay my hands on it, was simply a request for my views, and he said that he inclosed the letter from Mr. Penton. In response to that I wrote the letter which is a part of this article.

Mr. MALBY. Is your letter complete as published in the record?

Mr. STEENERSON. Except the headline "Crookston, Minnesota." I think the body of the letter is complete.

I have yours of the 2d instant, stating that you are considerably interested in the work undertaken by the Merchant Marine League of the United States and inclosing a letter from that concern criticising my opposition to the so-called subsidy proposition. In reply I have to say that I have consistently opposed the legislation in question in several Congresses and the reasons were both privately and publicly expressed. I have ordered sent you a copy of my remarks on the last subsidy proposition, which I think will indicate to you that I am not opposed to the upbuilding of our merchant marine in the foreign trade, but I am anxious to see it properly encouraged.

I should say I have that speech here, and it was sent as a part of this letter and it gave my views more in full as they were expressed when the bill was up shortly before this. This letter was written in June and that was in March.

Then I further go on to state that:

I am in hopes that some proposition will be worked out that will be an improvement on the former one, for certainly, according to my best judgment, the bill referred to, which was defeated in the last Congress, was a vicious bill and would never have accomplished what was claimed for it.

I submit that opinion was a proper opinion to express and just as decorous as an opinion given in debate in the House. In the same debate in which I took part Senator Burton, then a Member of Congress, characterized it as "subsidy tainted." I expressed in a private letter my judgment that the bill was vicious and pointed out the reason that I thought it was, because it would not accomplish what was claimed, and that was a very mild statement.

Mr. MALBY. It is what follows there.

Mr. STEENERSON. What follows there they take umbrage at. I intended to discuss that question in my speech. In fact, I have prepared a speech on the subject of all the statements of fact. First, that the members of the Merchant Marine League, or at least many of them, are interested in the purpose of this legislation. I have

gathered facts on that point, but I do not think I should detain the committee with them. Their own letters show in a general way that they want business stimulated by this legislation and that they will profit by the stimulated business, the same as we hold out that tariff legislation will stimulate business. I say no more there than that some of them are going to profit by direct contracts or by the stimulation of business.

I am prepared on the floor of the House, whenever I am permitted, to defend myself and to show that that statement is substantially true; at least I believe it to be true. I have the proofs as to the facts. For instance, one of the men who is connected with the Merchant Marine League owns a line of ships, or at least manages them. At any rate it was shown that they could not earn the \$4 a mile, and this is to increase the rate to \$4 a mile for slower ships. So the conclusion seems to be reasonable that by accommodating the speed required to the speed of his ships we would do something that would be absolutely to his interest. I simply say that when I write a private letter at a man's request in my own State, when I am requested by a constituent of my own State to give the reason why I oppose the bill and I write to him in good faith, that if I honestly believed my statements to be true I was justified in making the statements contained in this letter; that I not only honestly believed them to be true at that time, but I believe them to be true now, and shall undertake to substantiate them in the debate on the floor where Members of Congress will have an opportunity to question the source of my information. I believe that part of my letter is not a material part of the matter before the committee.

Now, I would like to submit some of these letters. They may be too voluminous for the committee, but I think they bear upon the direct statements in the resolution.

The next thing that happened after my writing this letter to Mr. Force in June or July was that I received from Mr. Penton—

Mr. MALBY. I see in the record here, "I should like to see the end pretended to be achieved accomplished." Does that include all your letter?

Mr. STEENERSON. I think so. I have here a copy of the original, and I will furnish it to the committee.

Mr. MALBY. If you will, please.

Mr. STEENERSON. There may be a letter or two from Mr. Penton.

The CHAIRMAN. Who is Mr. Penton?

Mr. STEENERSON. Mr. Penton is the secretary of the Merchant Marine League, who signs all the letters. I have a package of 15 or 20 letters sent me at intervals of one or two weeks, stating that the league is an organized body, which is urging these matters. I may have received a letter or two after this one was sent to me by Mr. Force, but I think that the chronological incidents will be better presented if I say that outside of a letter or two from Mr. Penton the next thing that attracted my notice was a meeting with Mr. J. P. Dotson, the proprietor and publisher of the Crookston Times, a daily paper. Now, I should prefer to have his name left out of the record, but I will leave that with the committee. Mr. Dotson showed me a letter from Mr. Penton, of which I have a copy and the original of which is here in Washington with the original envelope and post-mark on it and will be produced if the committee desires, but for

the purpose of this preliminary statement, this copy, I think, is sufficient.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, October 11, 1909.

Mr. J. P. DOTSON,  
*Editor Crookston Times, Crookston, Minn.*

DEAR SIR: We are desirous of finding out in a quiet way whether your Congressman, Halvor Steenerson, has been to Europe recently. Will you not kindly find out for us how often Mr. Steenerson has been to Europe in the last five years, and what steamship line he took in going to Europe? Did he take any of the members of his family with him?

On receipt of this information we shall be very glad to send you \$5 honorarium.

Very truly, yours,

JOHN A. PENTON, *Secretary.*

(The same is hereto attached, marked "Exhibit C.")

Mr. STEENERSON. This was written on the official stationery with the names of all the members of the league, Governor Van Sant, Governor Herrick, and the leading men of Cleveland.

The CHAIRMAN. That letter was addressed to Mr. Dotson?

Mr. STEENERSON. Yes, sir. Mr. Dotson showed the letter to me, and I asked him what in the world they wanted to know anything about me for. "Well," he said, "I suppose they are preparing an article about you." I was informed afterwards that the matter had been handed over to a reporter by the name of Davies, and afterwards I was handed this letter, or I think it was brought to me, either by Mr. Dotson or Mr. Davies or one of the employees:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, October 20, 1909.

Mr. J. P. DOTSON,  
*President, Crookston Times, Crookston, Minn.*

DEAR SIR: We wish to thank you for the information contained in yours of October 16, and in accordance with our understanding, we send you herewith check for \$5.

Appreciating your promptness and courtesy, we are,

Very truly, yours,

JOHN A. PENTON, *Secretary.*

(The same is hereto attached, marked "Exhibit D.")

That was handed to me soon afterwards, probably the last part of October, and I requested permission to keep the letters with the envelopes and they are in the possession of the court.

Now, that is all the information I had up to November 1; but of course this information led me to believe that the Merchant Marine League was preparing an article hostile to me, and, judging from other articles that I had seen in their publications, I feared that it would be a defamatory article. As to what extent they would go I could not tell. I never did know to what extent they would go until after Congress convened. This publication [exhibiting], *The American Flag*, of December 1, 1909, did not arrive in Washington, as I am informed—I know myself it did not come by mail—until very close to the end of December, after Congress had been in session several weeks.

Mr. MALBY. What is the date of that?

Mr. STEENERSON. December 1, 1909. I made inquiry at the House post-office and they told me that it did not arrive until the latter part of December, after Congress had been in session quite a while. Then my fears that I would be libeled and defamed were realized, for this

article, in my opinion, and I have practiced law for nearly thirty years and was prosecuting attorney and claim to have some knowledge of the law—but fearing that my opinion might be biased by the interest I took in it, I submitted it to an old friend, Mr. Frank B. Kellogg, who is the United States special attorney in the Standard Oil cases and who is here most of the time, and he gave me his opinion that it was unquestionably a criminal libel under the laws of Minnesota. Then I submitted it to the United States attorney's office in the city of Washington and they advised me that it was unquestionably a libel under the laws of the District of Columbia. When I use in the resolution the words "defamatory" and "libelous" and that they threaten blackmail, I think that this article substantially and accurately fulfills that description.

Mr. MALBY. Can you, without too much trouble, point out the exact language, Mr. Steenerson?

Mr. STEENERSON. Some of them.

The CHAIRMAN. Are you prepared to indicate which one of the charges in the resolution you think that tends to support?

Mr. STEENERSON. I am now dealing with the first charge, that the Merchant Marine League is an organization and that they have conspired to advance the ship-subsidy legislation by a concerted attempt to assail in the newspapers and magazines and the periodical literature of the country those who are opposed to it, and thereby intimidate them, and either compel them not to vote or to vote for ship-subsidy legislation or to influence their vote one way or the other.

The CHAIRMAN. That is paragraph 3?

Mr. STEENERSON. That is what you might call—

The CHAIRMAN. Of course, it certainly does not apply to some of these paragraphs beginning with "whereas." My question was, Could you indicate which particular section that had reference to?

Mr. STEENERSON. I will try to do that. The first "whereas" is that there is an organization called the Merchant Marine League. That the pamphlet shows. The next "whereas" is that there is a branch league in California, of which these persons are members. The pamphlet shows that on the last page and also by these letters that I will introduce in evidence. The next is:

Whereas said persons are engaged in issuing pamphlets, periodicals, and magazines devoted to the advancement and agitation of legislation to increase appropriations by Congress for ocean mail service and for ship subsidies generally.

That is shown by the pamphlets they are publishing. There are other pamphlets which I will introduce which appear to be issued by this organization or branches thereof.

The next is:

Whereas it is alleged that said persons have conspired and confederated together for the purpose of unduly and improperly influencing Congress and the Members thereof and creating hostility against all persons opposed to said legislation.

That must be read in connection with the next whereas. That will appear from these pamphlets and from the letters that I have already read, and from the letters which I will read.

Whereas it is further alleged that in pursuance of the object and purposes of said conspiracy the said persons have raised by subscription and solicitation, from interested persons, a large sum of money, which has been used and is being used in said cause and in furtherance thereof.

Of course the only way to prove that would be by calling Secretary Penton and other members of the association and ascertaining how much they have subscribed.

Whereas that pursuant to said conspiracy said persons, their agents and servants, have, during the last two years, frequently and repeatedly solicited and urged the Member of this House from the Ninth Congressional District of Minnesota to favor and support said legislation and to express himself thereon.

That will appear by the letter I will read:

Whereas it is further charged that said persons, their servants, employees, and agents in furtherance of said conspiracy, in October, nineteen hundred and nine, sent money to a citizen of Crookston, Minnesota, where said Member resides, in order to obtain information about the private affairs of said Member, especially as to his travels and trips abroad during the last five years, and after obtaining said information said persons caused said Member to be informed that said information was to be used in articles to appear and to be published by said persons and said league in the public press, all of which was done or caused to be done by said persons in furtherance of said conspiracy and to intimidate, terrify, and influence said Member by fear to change his position on said legislation, and to influence his vote and action in this House.

The next is:

Whereas it is charged that in furtherance of said conspiracy and in execution thereof said persons have caused the publication of the defamatory article, which was printed in the Congressional Record Tuesday, March first, nineteen hundred and ten; and said persons in further execution of said conspiracy now threaten said Member with further defamatory and libelous articles and publications and to send numerous letters to citizens and residents of the said Ninth Congressional District, defaming said Member and questioning his loyalty, patriotism, honesty, and fidelity, and otherwise, in letters and in the press, to libel and hold him up to ridicule and contempt for the purpose of influencing his vote in the House, and that said persons are threatening to continue said blackmailing campaign in order to terrify and intimidate said Member.

Now, I have introduced this pamphlet which shows who they are and who are the branches, and I have shown that they wrote to Mr. Force and that Mr. Force wrote to me, and that when I answered that letter they kept it back from June until December, and in the meantime they wrote to a citizen of my own town and that citizen, whether or not advisedly, told me that the information was wanted, and that it was wanted for the purpose, as he believed, of preparing an article opposed to me, and that being in October there were two months that this matter was pending, when I feared that they would attack me, and judging from the samples that I had seen of their attacks on other people I had reason to believe that they had no regard whatever for facts.

I will point out specifically the most aggravating part of this, which probably has not been called to your attention, except the first thing, which is in the headlines. In addition to that part in the headlines, I will read a paragraph on page 5: "Steenerson exults and foreigners rejoice." Now, all this article must be read together, because they insinuate. This charge is sufficient because in a case for libel you can set out the intention by innuendo, and the object of this article is to create the impression in the public mind that I was in the employ of foreign shipowners, because foreign companies can not be represented in Congress. They are not citizens of the United States and no one can represent them unless employed as agent or attorney. It would not be possible for them to have a representative, and therefore, when they say "He represents foreign shipowners," it can not be placed upon any theory that I could represent them without being employed. Therefore that was a just and fair conclusion to be drawn from that charge.

The CHAIRMAN. Do you not think that a Member of Congress could consistently advocate a cause that would be to their interests, and do it conscientiously?

Mr. STEENERSON. Certainly, but when they accuse in this insinuating way, I say that the article justifies drawing that conclusion.

Mr. MALBY. While the language is unpleasant in the form of the inquiry, "Does he represent," etc.—

Mr. STEENERSON. That is put in the form of a question, but it is an insinuation.

Mr. MALBY. I know it is an insinuation. It does not amount to much.

Mr. STEENERSON. No; but I think the courts would sustain it on the theory that it was intended to convey the impression.

However,

#### STEENERSON EXULTS AND FOREIGNERS REJOICE.

Halvor Steenerson, in opposition to the majority sentiment of his State, stood up in his place in the House of Representatives and, to the delight and exultation of the foreign shipowners and ship operators, used the power of his position, of his ability, and his voice to fasten on the country more securely than ever the grip by which foreign nations through their subsidized shipping companies largely control the foreign trade of the country and incidentally endeavor to dictate the commercial relations of the United States with the world. To Halvor Steenerson may be given some of the honor and the credit of our present humiliating naval position, as evidenced by the cruise of our battle ships around the world, when they were accompanied by 27 colliers flying the flags of foreign nations.

That should be considered in connection with the former statement, "Does he represent the foreign shipping interests?" Then, to show that they mean it, at the bottom of the page they say:

The Merchant Marine League and its work, its officers, and its membership have been before the public for five years. The names of its officers are printed on its literature. Some of the most eminent men of the nation have been pleased publicly to acknowledge their connection with the league and openly to approve of its objects. The membership includes manufacturers, professional men, bankers, miners, farmers, railroad men, traders, publicists, and writers and speakers, more than one of national fame.

That is put there to give weight to these insinuations, so that they are more likely to be believed to be true than otherwise.

Then follows this statement:

At the very beginning of the league's work, its executive officers decided that the organization must be so conducted as to be in position truthfully to assert at all times that it is free from connection with shipping interests, since such a charge is about the first one to be looked for from the foreign shipping combinations and their representatives in and out of Congress who bitterly resent the activity of the league.

The "in" is printed in large capital letters.

Then, on page 8 appears:

Mr. Steenerson is uninformed or malicious. If Mr. Steenerson knows anything about the ocean mail bill which he strove to defeat last spring in the House while the foreign shipping combinations rejoiced—

That, taken in connection with the other, simply emphasizes the same insinuation.

Then, on page 12:

Mr. Steenerson works for coolies. The abandoned American line to Australia, while in operation, actually received under the Harrison ocean mail act less mail pay than either European and Japanese ships performing similar service for their countries. The line was withdrawn two years ago because of the defeat of the ocean mail bill providing additional compensation. Mr. Steenerson voted against that bill.

The CHAIRMAN. As to that clause—

Mr. STEENERSON. Standing alone that would not be actionable, but in connection with the other I think it does emphasize what was stated before.

On page 14, and this adds emphasis to what was said before, there appears under "Steenerson Soon to Have Chance"—this shows that they regarded me as in doubt and that, perhaps, if they brought out in the next number another libel they might fetch me:

If Congressman Steenerson has any real solicitude for American labor, if he is in truth not throwing dust in the eyes of his constituents by declaiming against coolie labor, then he will soon have an opportunity to show his sincerity. If he desires to supplant coolie labor with American labor, he may follow President Taft and the loyal members of the Minnesota congressional delegation and vote for such legislation in the next Congress as will effectually do away with coolie labor on American ships doing American business.

Then follows:

WHAT MANNER OF MAN IS THIS?

Is a man fit to hold high public office that will deliberately pervert and maliciously falsify the facts connected with any important public question? Is he a safe, a trustworthy man? We hold that he is not; that such a man is dishonest and an enemy to his country and his country's best interests, and that he and men like him are a constant menace to American progress at home and abroad.

There are not many such in Congress, but there will always be found a few, and the Ninth district of Minnesota has one.

Now, that taken in connection with the other statements in the article not only accuses me in a general way of dishonesty, but it adds meaning and force to the contention that they started with, "Does he represent foreign shipping interests," and which they repeat in several other places. They say that I am an enemy to the country. That goes in explanation of what has gone before, and shows the animus and intention.

Now, I may not have these things arranged as systematically as I would like, but at this point I will read a letter that was written to me between the date of the letter to Crookston offering \$5 for information and the date of the remittance of the \$5 to the man who furnished the information. They wrote the first letter on October 11, 1909, and they remitted the money on October 20, 1909, and between those two dates, to wit, October 12, 1909, they wrote me a letter. This letter is on the regular stationery of the League, and it is the original letter which came to me by mail at Crookston, and there [indicating] you will see the names of all these gentlemen, Mr. J. J. Butler, Youngstown, Ohio; Mr. Myron T. Herrick, Cleveland, Ohio; Mr. J. J. Sullivan, Cleveland, Ohio. They parade the names of all of them, and on the back they parade the name of our ex-governor, at present the Commander of the Grand Army of the Republic. Of course, that is intended to give weight to these libelous articles. This is the letter:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES.

[Organized Cleveland, November 21, 1904.]

*Cleveland, Ohio, October 12, 1909.*

DEAR CONGRESSMAN—

I want to call your attention to the familiarity with which this letter is addressed.

Mr. MALBY. What is the date?

Mr. STEENERSON. October 12 last. They had sent me probably a hundred letters, to which I have never replied, and they must have necessarily known what my position was.

We wish to call your especial attention to the October 1st issue of *The American Flag*, which has probably reached you by this time. The number is an 80-page review of the merchant-marine question from the foundation of the Government up to the present time.

The effort has been to handle the subject in a frank, unprejudiced manner, and in consideration of the fact that merchant-marine legislation will be one of the most important questions before the next Congress, we think that our little tabloid history is worthy of careful reading. We have taken occasion to "nail" several of the misstatements that have been persistently circulated in the South and Middle West by the foreign shipping combinations, namely:

- (1) That England does not subsidize her merchant marine.
- (2) That the Hamburg-American Packet Company is not subsidized.
- (3) That the French subsidy system is a failure.

These old-time yarns have been exploded for all times.

We are pleased to state that the demand from every part of the country for constructive merchant-marine legislation is persistent and clamorous.

With kind regards, we are,

Very truly, yours,

JOHN A. PENTON, *Secretary.*

Mr. MALBY. Is that letter addressed to you directly by name, or is it simply "Dear Congressman?"

Mr. STEENERSON. It was addressed to me on the envelope.

Mr. MALBY. The letter itself?

Mr. STEENERSON. No, sir; it simply says "Dear Congressman."

Mr. MALBY. I suppose most of us received a similar communication.

(The letter is hereto attached marked "Exhibit E.")

Mr. STEENERSON. Here is a letter addressed to me directly.

The CHAIRMAN. Before proceeding with the next letter, did the October number of "*The American Flag*" have anything in it with reference to this matter?

Mr. STEENERSON. No, sir; I do not think so.

On the 18th of December, 1909, on the same letterhead, they addressed me a letter which arrived here, according to my best information, two weeks or ten days before "*The American Flag*" containing the defamatory article—at least ten days before I got the article:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, December 18, 1909.*

Hon. HALVOR STEENERSON,  
Washington, D. C.

MY DEAR CONGRESSMAN: Inclosed please find copies of some correspondence. In the first place, there is a copy of a letter written to the St. Paul Pioneer Press, and in the second place, a copy of a letter sent to several hundred people in the immediate vicinity of St. Paul.

We are going to keep up this campaign, as far as Minnesota and St. Paul are concerned, as long as they do; and, we hope, it will not be very long until the people of Minnesota learn some of the truth concerning this important question, and if they do not learn it from the newspapers they will learn it from some other direction.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

Mr. MALBY. What are the attached communications?

Mr. STEENERSON. I will read them.

DECEMBER 14, 1909.

EDITOR ST. PAUL PIONEER PRESS,  
St. Paul, Minn.

DEAR SIR: The writer's attention has been brought to the editorial in your issue of December 4, and as he himself is a publisher he has long ago become convinced that misrepresentation and falsifying of records never succeeds, and that is one of the reasons why we have a right to believe that in the present campaign for a merchant marine we are going to win, viz, because those who are opposing us continue wilfully to misrepresent and circulate statements which they either know are false or, what is still worse, they write them without any knowledge of the circumstances.

You say in your editorial:

"The people will find it is on the cards that vast sums are to be poured out of the Public Treasury on the pretense of building up a merchant marine. Minnesota will be called upon to pay heavy tribute to a favored few in the East and along the Pacific."

Please let us advise you that the Humphrey bill, which is the only bill that has been favorably considered, contains the definite and exact provision that its operation shall not cost the people of this country one single dollar. To quote the words of Congressman McCleary, of your State, in a well-known speech on the subject: "It shall give back to the sea only what the sea earns." This amendment was added to the bill by Senator Culberson, of Texas, when it passed the Senate unanimously in the last Congress, without a single objection by either Democrat or Republican. The provision reads as follows:

*"Provided, That the total expenditure for foreign mail service in any one year shall not exceed the estimated revenue therefrom for that year."*

When we remember that the present ocean mail act, to which the proposed measure is a very modest amendment, brings us in now between three and four million dollars a year net profit, and when we remember that it is not intended to establish any ocean mail lines except with those countries with which we now have no direct communication whatever, we think your statement is a malicious misrepresentation, because we can not believe that these facts which have been so frequently published are not known to you.

Your Congressman, Stevens, voted for this last bill in the last House largely because it contained that provision, and he and the balance of the Minnesota delegation (with the exception of one) will probably vote for it in the next House.

If, on the other hand, you can think of a measure which will as cheaply and effectively cause the immediate construction of 20 to 35 mammoth ships, costing from one to two million dollars apiece, over 80 per cent of which goes to labor, and which will help to bring to our manufacturing enterprises and the workingmen of this country hundreds of millions of dollars as a result of the trade built up with foreign countries—if you can think of any other way equally as satisfactory as the ocean mail act which we propose, then the Merchant Marine League will indorse your measure and help to secure its passage.

As this organization is supported entirely by the voluntary contributions of disinterested patriotic citizens, and as we have never received a dollar from any shipbuilding or ship-operating concern in the world, we think this patriotism ought to be conceded by you and that we ought to be able to command the support of the Pioneer Press.

Yours, most sincerely.

JOHN A. PENTON, *Secretary.*

Now, here follows a letter; I did not read the letter to the editor.

Mr. MALBY. From the editor?

Mr. STEENERSON. No; to the editor; I guess that is right; it is put in the wrong order.

I call attention to the fact that Mr. Penton in five or six different places repeats the statement that no subscriptions have been received from shipbuilders or ship operators. It is on the cover of the pamphlet and it is in the letter to the Pioneer Press and it is repeated at least three or four times, and I should suppose that in his mind it would be wrong to take money from shipbuilders, although the men connected with the Merchant Marine League are in the shipbuilding business, some of them, at least, notably the president of the Union Iron Works at San Francisco, although that title was not given.

Now, I will read one of the inclosures.

The St. Paul Pioneer Press has been maintaining a very unfair and in some respects a very malicious campaign against the movement to establish an American merchant marine, which in every other nation but America is regarded as a most patriotic undertaking, and in its effort has published a great many untrue statements, refusing to publish the truth even when requested to do so.

We are making a list of a few hundred names in your vicinity to whom we are occasionally going to send letters, in order that the people in your locality may know something of the truth regarding this question.

We inclose you copy of letter sent to the St. Paul Pioneer Press of this date.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

Mr. MALBY. Who was that addressed to?

Mr. STEENERSON. Not anybody. That is the one referred to by Mr. Penton as being a sample of the letters he intended to send out in Minnesota, and that, of course, refers to this letter which I have read, to the Pioneer Press, which accuses them of knowingly falsifying the statements.

(The letter and inclosures referred to by Mr. Steenerson are hereto attached and marked "Exhibit F.")

Mr. STEENERSON. Here is a letter dated January 14, 1909, which is more than a year ago, signed by the Secretary, and which explains what the league is, so that I knew the formidable importance of it at the time. I had information that they intended to publish an article about me.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, January 14, 1909.*

Hon. HALVOR STEENERSON,  
*Washington, D. C.*

MY DEAR SIR: This is absolutely a nonpartisan organization in every way.

While it has some members in every State in the Union, the majority of its members live and do business in the Middle and Central States, and are not in any way connected with, or interested in, shipowning or ship-operating enterprises; but they are for the most part manufacturers, or those interested in mercantile enterprises who appreciate the tremendous loss their own business and the business of the entire country is suffering because of the opposition of some few Congressmen to the country's appeal for help.

Now, I had received this letter and had it in my files and had read it several months before I wrote my letter stating that the league was an association of persons whose business would be stimulated and some of whom expect to get contracts, and I based my idea somewhat on the secretary's own statement which I have read here. As far as shipowners and ship operators are concerned, there are several of them, notably Mr. Schwerin, the president and manager of the Pacific Mail Steamship Company, and of four or five other companies. He is a member of this league. He is the man who is connected with the steamship companies that formerly took the subsidy, but had to abandon it because the ships were too slow. If the speed requirement of the act were lowered and the pay remained the same, to a reasonable man it would appear that he could make a profit. That is the way it appeared to me.

The CHAIRMAN. Does he operate them now?

Mr. STEENERSON. Yes, sir; they are a part of the Union Pacific system, five ships. They do not operate under that mileage act because they could not make the speed required in the act. They now operate under the general statute which gives them between \$70,000 and \$100,000. We could have the mails transported for half that amount. I am giving the information upon which I base

my statement. I believed it to be true at that time and I still believe it to be true.

I have a letter addressed to me on January 11, 1909, from the Merchant Marine League of the United States, which bears directly upon the nature of the organization, and it is signed by Mr. Penton, but I do not find page 2. I will find it before I get through.

At the request of the executive committee of our league the writer desires to submit for your consideration the anxiety we are all feeling in regard to the action of your Committee on the Post-Office and Post-Roads when there shall come before it for consideration the amendment to the ocean mail bill, which was reported out of the committee at the last session and defeated by a small majority of four in the House.

The almost unanimous action of some eighty organizations of business men in the United States, the fact that the only opposing force of influence against this measure is that of the foreign shipowners and ship operators, and the further fact that, as everybody knows, this bill, if passed, will be a most incalculable blessing to thousands of American manufacturers and hundreds of thousands of American workingmen in opening up markets for goods of American manufacture in South America, Australia, and other foreign points is the evidence which is inspiring thousands of business men of the Central West to band themselves together—

Indicating, as I have suggested in my resolution, that they were banded together in the Merchant Marine League.

To urge upon Congress that they not longer postpone favorable action in their behalf.

(The same is hereto attached marked "Exhibit G.")

My recollection is that the second page, which I will find, winds up by asking me to state my position on ship subsidy. This letter is addressed to me individually, and they presumed that I was a member of the Committee on the Post-Office and Post-Roads, but I was not appointed.

Mr. MALBY. Were you a member of the Committee on the Post-Office and Post-Roads?

Mr. STEENERSON. No; I was succeeded by a gentleman from New York. I was No. 5 and served six years, and we had this bill under consideration, and to show my fairness and liberality in the matter, at the request of present high officials of this Government, I stated to the Post-Office Committee, when there was a tie vote on that bill and it could not be reported, that I was willing to let the House vote on it and that I would vote to report the bill, but would make a speech against it. I simply did that to give the House a chance to pass upon it themselves, and as a reward for my magnanimity I have been treated like this by the Merchant Marine League.

On January 14, 1909, three days later—they only waited three days between the communications—they addressed this letter to me:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES.

[Organized Cleveland, November 21, 1904.]

CLEVELAND, OHIO, January 14, 1909.

Hon. HALVOR STEENERSON,  
Washington, D. C.

MY DEAR SIR: This is absolutely a nonpartisan organization in every sense.

While it has some members in every State in the Union, the majority of its members live and do business in the Middle and Central States, and are not in any way connected with, or interested in, ship-owning or ship-operating enterprises; but they are for the most part manufacturers or those interested in mercantile enterprises who appreciate the tremendous loss to their own business, and the business of the entire

country is suffering because of the opposition of some few Congressmen to the country's appeal for help.

This organization is just now beginning to fully appreciate itself what all this means and may mean to us in the future.

For that reason this work we are undertaking is upon a very large scale, and it is going to continue until, through its influence, the power of the foreign shipowner and ship operator at Washington is destroyed and this country and its business interests receive the consideration they have so long sought.

From now on the work of drawing public attention to the fallacy of spending, without a question, hundreds of millions of dollars upon a canal, to benefit only foreigners in a commercial way, while refusing to pass an American measure that would be a blessing to the business interests of America and give employment to hundreds of thousands of American workmen, and which would not cost the taxpayers of this country a dollar, will be fully exposed.

Practically every business interest in America has begged for this legislation, and would have easily been able to secure it before this but for opposition to it in certain quarters.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

(The same is hereto attached, marked "Exhibit H.")

Mr. STEENERSON. I would say that I have here letters of a similar character, only more aggravated, to Mr. Küstermann, threatening to send letters to constituents, and denouncing him for falsification, etc. I am also advised by another Representative from Wisconsin, Mr. Lenroot, that they actually wrote him a letter stating, in substance, that he had given an interview to a local newspaper about ship subsidy which was willfully and maliciously false and a lie, and that they proposed to denounce him in a letter similar to that which was inclosed. I have this simply from his statement, so I can not give the exact language of these letters, of course. But they inclosed a letter, the status of which was something like one they were going to send to 100 business men in his town, and which he is informed they did send, denouncing him for giving the interview.

I mention this to show the committee that the statement in the resolution that there is a concerted effort to terrify by these means, by defamatory publications, because a letter that way is just as much a publication as a magazine or newspaper; in law it is the same thing, if it is written or typewritten and sent to the world; and it is just as much a libel, and it is a criminal libel, whether it is in a letter or not. It constitutes a crime in Wisconsin and in Minnesota and in the District of Columbia, and when they threaten this it is, as far as the law and morals are concerned, as grievous a threat, in my mind, and more grievous threat, than to shoot a man or to maim him. To throw a rock at him or fire a bullet at him may imperil his limbs or his life, but when we get to our age we value our good names and reputations more highly, and that is affected by and endangered by threatened defamation. We may not know it, but when they parade the names of our ex-governors and leading financiers upon their stationery and send these to business men who have confidence in them and threaten to continue to do that, and we know from what has happened that they are libelous, accusing of falsehood, corruption, and dishonesty, it has a tendency to terrify. That is the reason why I would like to have Representative Küstermann and Representative Lenroot here, and also Representative Borland, of Missouri, who was directly threatened, because he refused to accept these letters and circulars through the mails, to show that this organization which they speak of themselves here has banded together for this purpose. Their own secretary says so. This is their object, and they are so tremendously

in earnest that they are carrying it too far, that they are infringing the privileges of Congress, of Members of Congress, and I go further and say that unquestionably if these facts, in addition to the plain magazine article printed in the record, had been permitted to be shown, no well-advised Member of the House would have decided, nor would the officials of the House have decided, the way they did decide, that it was not privileged; because this extraneous matter puts an entirely new phase upon it, so that it immensely affects our liberty.

The CHAIRMAN. Mr. Steenerson, just in order that we may understand each other, I do not think it is a question before us now as to whether this article is privileged or not.

Mr. STEENERSON. I stand corrected; the whole resolution is before you.

The CHAIRMAN. This resolution is before us, and the question is whether it presents a matter that ought to be investigated. Let me ask you, do you want to proceed now until you finish, and how long would it take you?

Mr. STEENERSON. I would prefer not to proceed now, because I have not had time to arrange all these papers it is necessary for me to read. I intend to ask the committee, on the point that they have large funds, if they will call the secretary and treasurer.

The CHAIRMAN. Before you proceed let me say, so that you will not misunderstand me, so far as I am concerned I think it is perfectly proper for you to refer to this article in the Flag as a matter of evidence to support the allegations of the resolution. I did not mean to say that I did not consider that that was a matter not to be discussed. Now, go ahead and say what you desire with reference to the hearing.

Mr. STEENERSON. I desire to have you call the secretary and treasurer of this organization. I have reason to believe they are spending large sums now, preparing to again libel me, terrify me to withdraw this resolution, and to affect my action in Congress; and, of course, I may be unduly suspicious, but I notice that other gentlemen are very solicitous not to have their names mentioned in connection with a matter of this kind. Any man is easily terrified by the yellow journals—his name being even mentioned. On the second part of the proposition, that there is a foreign ship lobby here, a Representative in Congress told me on the floor of the House the day this matter was last up that he thought he would introduce a resolution on that subject, and I informed him he did not need to, as it was included in my resolution, but he could appear before the Judiciary Committee; and he subsequently did not seem to think that I should have stated that to a reporter, but he still said that he thought from things he had seen that such a lobby existed in Washington. I should like to have the evidence brought forth. If there is such a lobby here I want to know it, because that is the one this American Flag seemed to impute is affecting Congress.

Mr. BRANTLEY. Mr. Steenerson, your resolution alleges that it has been charged by this league and by the Texas Farmer that this foreign lobby does exist for the purpose of corrupting Members against a merchant-marine proposition.

Mr. STEENERSON. Yes.

Mr. BRANTLEY. I think you ought to bring the specific charge as made by the Texas Farmer and as made by this league.

Mr. STEENERSON. I have the Texas Farmer, some copies. They were sent to me, but I have not had time to go through and find the specific part.

(Thereupon, at 12.10 o'clock p. m., the subcommittee adjourned until Monday, March 7, 1910, at 2 o'clock p. m.)

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COMMITTEE ON THE JUDICIARY,  
HOUSE OF REPRESENTATIVES,  
*Monday, March 7, 1910.*

The subcommittee met at 2 o'clock p. m.

Present, Hon. John A. Sterling (chairman), George R. Malby, and William G. Brantley.

#### STATEMENT OF HON. HALVOR STEENERSON—Continued.

Mr. STEENERSON. I did not have the second page of the letter that I read from the Merchant Marine League, dated January 11, 1909, but I have since found it and have attached it, and I want to call attention to the last clause in the letter of that date:

If you feel that it is consistent with your responsibility and position to give us an expression of your opinion upon this subject, we would indeed appreciate it very much.

Yours, most sincerely,

JOHN A. PENTON.

July 13 Mr. Penton, on the official stationery, again wrote me, inclosing an editorial from the Duluth News-Tribune. The letter is short and I will just read it.

(Mr. Steenerson read the letter referred to, marked Exhibit I, here copied in the record in full as follows:)

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, July 13, 1909.*

Hon. HALVOR STEENERSON,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: As reflecting the rapidly growing sentiment in the West in favor of such legislation as will restore the merchant marine, we take occasion to send you inclosed editorial page of the Duluth News-Tribune, under date of July 3, containing an editorial "New Merchant Marine Measure," to which we respectfully call your attention.

We are glad to be able to say that the increased interest in behalf of a revival of the merchant marine is not confined to Minnesota. There seems to be a sincere desire from every part of the country that Congress take such steps as will restore the flag to the salt seas.

Very truly yours,

JOHN A. PENTON, *Secretary.*

Then, a little later, on August 2, 1909, he writes me:

[Exhibit K.]

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, August 2, 1909.*

Hon. HALVOR STEENERSON, M. C.,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: We take occasion to send you a page from the Atlanta Constitution under date of July 26 containing a letter by the Hon. Robert J. Lowry, president of the Lowry National Bank, Atlanta, Ga., in which Mr. Lowry offers his views in connection with the restoration of the American merchant marine. He

speaks from the viewpoint of the southern business man. He says: "If a liberal ship subsidy law was passed, the drain (on the resources of the American people) would cease, and it seems to me the duty of the southern people to send representatives to our National Congress pledged to some sort of subsidy measure."

Do you believe the views of Mr. Lowry should prevail? Can the merchant marine be restored without subsidies? If so, how? If a foreign going marine is desirable, and if it can not be restored without subsidies, is not further opposition to the subsidy legislation captious and indefensible?

Very truly, yours,

JOHN A. PENTON,  
*Secretary.*

Just a little before, on July 20, 1909:

[Exhibit L.]

CLEVELAND, OHIO, *July 20, 1909.*

Hon. HALVOR STEENERSON, M. C.,  
Washington, D. C.

MY DEAR CONGRESSMAN: We send you editorial page of the Appleton (Wis.) Daily Post, July 15, containing editorial: "To help a good cause."

This editorial is simply another straw indicating that the business interests of the country are fully alive to the importance of an American built, owned, and operated merchant marine.

We are getting letters from every part of the United States commending our work and urging that there be no let-up in the campaign of education and agitation until Congress shall have taken such action as will give the nation its own foreign-going marine.

Very truly, yours,

JOHN A. PENTON, *Secretary.*

I did not get those letters arranged in chronological order. They were followed by him sending me a copy of the American Flag dated November (Exhibit M), which is just preceding the copy which contains my letter, which is already before the committee. The article in this is headed, on page 2:

Word to Washington correspondents—Merchant-marine league asks for fair play against the sending out of "fakes" offered by the foreign shipping press bureaus—Methods of European campaign to inflame public opinion demonstrated to the satisfaction of any open-minded newspaper man—Battle for an American merchant marine rapidly narrowing down to a question of "United States necessity v. foreign opposition and intrigue."

I will read this first introductory paragraph:

Two Washington correspondents—one for an Iowa paper and the other for a Massachusetts paper—earned the fool's cap distinction during the last month by sending out the flagrant fake that the Merchant Marine League is being backed by the "Beef trust" and the Standard Oil Company in its campaign to obtain needful merchant-marine legislation. The correspondents rehearsed a recent Associated Press story to the effect that the "Beef trust" and oil company have effected a combination to control the oil and beef business of the Argentine Republic, and as a part of their programme propose to establish a steamship line from Argentina to Germany.

In the following they reviewed the personality of the men from Chicago who were against ship subsidy, showing that they were representing the wards in Chicago that had the Beef-trust influence; that is, they start in with William Warfield Simpson, and they seem to ridicule him very much. I do not care to read it, because it is not very important on the point that is involved. They abuse him, and undoubtedly would be guilty of libel, and the same thing of Mr. Mann, probably not so severe on Mr. Mann. But here comes the thing that

of course would naturally excite those who were opposed, honestly opposed. This commences on page 12:

A couple of months ago we received a letter from one of the best-posted men in the United States on the subject of merchant marine, which contains a very significant paragraph. There is no particular reason why we should not give this correspondent's name in quoting the paragraph, but we prefer to withhold it for the time being, simply assuring our friends that we received such a letter, can produce it on demand, and that the writer is an eminent and able man. He wrote us:

"A few days ago an American traveler crossing the Atlantic on one of the largest and most palatial of European steamships fell into a conversation with the captain of the vessel in regard to American shipping, and particularly the ocean mail bill. To the astonishment of this American, the European captain, while acknowledging that the ocean mail bill was defeated only by the slenderest majority, declared that 'we could have had a bigger majority if we had wanted it.'"

Now, continues, in larger type, the American Flag article:

We know the name of this European steamship captain and can "bring him into court" if necessary.

Now, Mr. Keen Washington Correspondent, what is meant by the assertion of this European ship captain when he declared that "we could have had a bigger majority if we had wanted it?"

You know what it means and we know what it means.

It means bribery.

It means, if this foreign ship captain is to be believed, that the great foreign shipping combinations have debauched the public servants of the United States in the past, and are boasting boldly of their ability further to debauch the National Congress. That is just what the European ship captain meant, and exactly what he did mean.

So put that in your pipe and smoke it, Mr. Wise Correspondent.

In trouble over European transportation.

Then goes on an argument. I have marked this in pencil, so that it can be easily examined by the committee. I will offer the whole pamphlet in evidence.

The CHAIRMAN. Mr. Steenerson, there are other articles in the pamphlet besides that?

Mr. STEENERSON. Yes; and there are other marked places besides that, which I will read.

The CHAIRMAN. Just to understand. You want the entire pamphlet to be printed in the record?

Mr. STEENERSON. Not printed in the hearings. I simply want that which is marked in pencil, because that is relevant. You will lose it, like a needle in a haystack, if you print it all, but if you will print the parts marked in the margin in this pamphlet in your hearings, it will be of service. I want to read another brief extract.

Mr. MALBY. In view of your comments on the article there, as you went along, it might be wise to insert the article, if it is not too long.

Mr. STEENERSON. Very well; I have no objection to any of it going in.

Mr. MALBY. You introduce it in evidence with the understanding that the chairman is to print the parts that you refer to, and such other parts as you think should go in.

Mr. STEENERSON. Certainly. You are at liberty to print every word, but I thought we would lose sight of the point.

Mr. MALBY. I did not know but by reason of your characterization of the article, if there was anything that relieved it, it might be best to have it all in.

Mr. STEENERSON. There was another consideration, that this attack and ridicule of Mr. Wilson and Mr. Mann and Mr. Boutell really

have no relevancy; it is simply abuse, saying that they represent the wards where the trust is strongest.

**Mr. MALBY.** We may be able to eliminate some of that.

**Mr. STEENERSON.** I want to call attention to this part:

The New York Journal of Commerce could not live without the patronage of the shipping companies. It is the organ of the foreign shipping combinations and is the fountain for news and specially prepared articles designed for circulation in the middle West and South, having for their purpose the prejudicing of public opinion against needful merchant-marine legislation.

#### FOREIGN SHARK EDITORIALS MAILED DAILY.

Marked copies of the anti-American editorials and articles of the New York Journal of Commerce are mailed daily to Members of Congress and others in position to aid or to assist in preventing merchant-marine legislation. The articles are also mailed each day to such papers as the Providence (R. I.) Bulletin—

And a large number of others, including the Pioneer Press, to which I want to call particular attention, because I introduced letters last Saturday showing that they had written an abusive article to the Pioneer Press, and wrote a letter to me inclosing that article, and threatening to send it to the people of Minnesota generally. Then on page 19 it says:

Question. Who puts up the money to reimburse the New York Journal of Commerce for carrying on this expensive anti-American propaganda?

The papers mentioned constitute the backbone of the foreign agitation against the American merchant marine. Practically every other important paper of the country is in line for an up-to-date merchant marine programme. It will be noticed that the majority of these anti-American dailies are located in seaports where the foreign shipping influence is very powerful. The foreign companies are liberal advertisers, and more than one of the seaport papers would find it difficult to continue publication were it not for the income they derive from that source.

This is merely to give weight to the accusation against Congressmen that they are dominated and influenced by this foreign concern. Then on page 20:

#### MR. CLYDE H. TAVENNER KEEPS BUSY.

As an example of the activity of the press bureaus of this European propaganda, especially in the Middle West, we cite the instance of an article that was first sent out by Mr. Clyde H. Tavenner, who is credited in the Congressional Directory as being the Washington correspondent of the Des Moines News. Iowa again. Mr. Tavenner's article first appeared in the Columbus (Ohio) News on October 13. Matter contained in it was quickly worked into an editorial and was mailed from the East, October 13, appearing in the following papers without a line, word, or the caption being changed, on the dates given.

Then follows:

- Quincy (Ill.) Journal, October 14.
- Savannah (Ga.) Press, October 15.
- Appleton (Wis.) Crescent, October 15.
- Rock Island (Ill.) Argus, October 15.
- Hot Springs (Ark.) News, October 15.
- Star-Gazette (Elmira, N. Y.), October 15.
- Hutchinson (Kans.) Gazette, October 16.
- Reno (Nev.) Journal, October 17.

Then, on page 21:

Question. What do the publishers of these papers that print these misleading editorials to advance this European propaganda "get out of it?"

Such papers certainly do not extend the use of their columns to such anti-Americanism without receiving some kind of recompense. Will not some editor come forward and enlighten us?

Then, on page 22:

Can it be possible that the dignified and scholarly editors of Houston and Galveston must dance to the music when their foreign shipowners crack the whip? Ah, what's the use—let's be charitable. Maybe the poor foreigners need the money for "expenses" in the coming fight in Congress. And the editors of Houston and Galveston are going to help them, aren't you? And all for the glory of grand old Texas! Ain't it?

And, by the way, what a blundering old foreign shark organ the New York Journal of Commerce is. Here is a paper that is trying to tell the people of the United States that an American merchant marine would be a bad thing for them and in the very same breath, just while its campaign is hot, prints an item to the effect that the European shipping magnates met in London to decide on a boost in American cargo rates.

Then, on page 23:

The London conference was not for the purpose of considering a raise in Atlantic and Gulf rates to Europe. It was for the purpose of discussing plans to head off merchant marine legislation in the next Congress and to make a pro rata assessment for the carrying on of a newspaper and Washington boodle campaign for the killing of any bills that may be offered. That was what the conference was for, and all it was for, dear old New York Journal of Commerce, and you can print this as a piece of real news if you care to.

Further, on the same page:

The general managers of the foreign shipping combination, which combination proposes to continue to handle 90 per cent of the imports and exports of our country, met at the offices of Mr. R. W. Leyland, in the Leadenhall Buildings, London, England. Mr. Leyland is a large Liverpool shipowner. It is he who formed the combination having for its purpose the fixing of cargo prices to be assessed on American manufacturers and farmers and consumers. Do you not all recall what happened after the defeat of the ocean-mail bill last spring? Within a week after the bill had been beaten, this foreign combination raised the rates 50 per cent on traffic between North and South America. Perhaps this trust needed the money that it expended in defeating the bill. Who repaid the foreigners?

Foreigners exult over American defeat.

And they held a jollification meeting in London and they ate and they sang and they toasted.

And while we do not know how others may feel, we know how we feel, and having some little love for our native land, it makes our blood surge to think that this band of foreign conspirators can "put it over" year after year on an uninformed American public, and to know that they slap one another on the back and congratulate themselves over their cunning and shrewdness in setting Americans against one another while they carry off the spoils. Verily the scheme seems to us a sort of twentieth century version of Rome sending her spies and agitators into besieged Jerusalem to stir up and anger the schismatic Jews, who fought like tigers on the walls while the grim-faced centurions battered at the gates soon to javelin-the squabbling fools with a knacker's merciless precision. Shamefacedly we are compelled to admit that the plan has worked in the past.

Then, in the middle of page 24:

Washington correspondents will remember that the Hon. Gustav Küstermann, Representative in Congress from the ninth district of Wisconsin, is one of the most vigorous opponents of merchant-marine legislation, and his learned bloviations are widely heralded by those papers who are striving to keep the United States in a helpless condition on the seas. The New York American, which is strongly in favor of merchant-marine legislation, took a pool of Congressmen immediately after Mr. Taft had made his Seattle speech. Mr. Küstermann telegraphed the American—

"I am utterly opposed to all class legislation. I shall continue to cast my vote against any ship-subsidy measure at the next session of Congress. I shall be able to submit the exact amount paid for carrying mails by other countries. The further I advance in my thorough study of the subject, the more I become convinced that substantial aid to our marine interests will only come through a radical change of our antiquated navigation laws."

So it is seen that the Hon. Gustav Küstermann is to continue in his rôle of offering sympathy and aid to the foreign shipping interests who are handling about 90 per cent of America's ocean-carrying traffic, and who are decidedly opposed to being

separated from it. Gustav says: "That he will be able to submit the exact amount paid for carrying the mails by other companies." We haven't a bit of doubt of it. Brother Boas, of the Hamburg-American Packet Company, and Brother Schwab, of the North German Lloyd Company, will be only too glad to furnish Gustav with whole columns of statistics of that kind, so it will not be necessary for Gustav to scour the earth in preparing his data. We earnestly hope that Gustav will not fail to set forth the exact amount received by the Hamburg Company.

**The CHAIRMAN.** In order to get your idea, Mr. Steenerson, what clause or part of the resolution do you think that which you have just read goes to support?

**Mr. STEENERSON.** The clause that charges corruption on the part of Congress in the interest of foreign shipowners. You see, the resolution is to be divided into two parts. One says that the Merchant Marine League is composed of so many people, and they have conspired and confederated together for the purpose, to wit, of influencing newspapers and newspaper writers, and employing newspapers and newspaper writers to create sentiment in favor of ship-subsidy legislation; then, to libel and defame all those who disagree with them, who are opposed to ship subsidy, to terrify them by libel or threatened defamation.

**The CHAIRMAN.** Excuse me, but right on that point I followed your reading, but maybe I did not get the full idea. Is there anything there that defames Mr. Küstermann? I know it is a criticism of his position on the question.

**Mr. STEENERSON.** It will be followed up. My contention is this—it may be farfetched, but I want to submit it to the chairman—that when he has first charged that there is a ship lobby that has actually corrupted Congress, that has been guilty of bribery and proposes to bribe the next Congress, as this ship captain is alleged to have said, following in the same connection the mere allusion to Mr. Küstermann as representing foreign ship interests is a reflection upon his honesty and a libel. That is the idea.

**Mr. KÜSTERMANN.** Here is a part which was not read, but which referred to me:

Hamburg in our whiskers,  
Hamburg in our hair,  
Hamburg in our pockets,  
Hamburg everywhere.

**Mr. STEENERSON.** On the other point here, this notice to me that they intended to publish articles about me was subsequent to their sending me a printed copy of a letter sent to Mr. Küstermann, of which he has the original: (Exhibit N.) This original letter is on an official letter head, with Governor Herrick and all these other great men of Cleveland printed on it. That letter is devoted to abuse of Mr. Küstermann, which it is unnecessary to read. It is of about the same general tenor as the others. I only want to read the three paragraphs on the third page, beginning with:

It seems to us that for anyone born and educated in Germany, and who commenced his business career in Hamburg, where are located the headquarters of the great European steamship trusts, to come to this country and question the intelligence of its loyal citizens in advocating a measure in behalf of the American flag shows poor taste, to say the least.

The Küstermann bill proposed by you, and which is becoming more generally known as the "Hamburg bill," is, of course, very warmly indorsed and supported and urged upon the favorable consideration of Congress by the large and influential lobby

representing the foreign shipowners and ship operators who are thronging the lobbies of the Washington hotels and of the Capitol. They and their friends in Congress are doing all they can by offering every sort of specious excuse in opposition to the proposed legislation which has been so earnestly urged by everybody who knows anything about it, and are trying to clog the wheels of legislation and prevent the Stars and Stripes flying at the mastheads of American steamships.

It has actually come to this: That representatives of the foreign governments, foreign shipowners, ship operators, and shipbuilders have the effrontery, right in the city of Washington, with the aid of those who favor legislation in their interest, to attempt to thwart the will of the great majority of the American people; but the writer wants to advise you that the Stars and Stripes in the future, as in the past, will always win out.

That is signed "John A. Penton." That was sent to every Congressman, including your humble servant, some time about a year ago, together with this memorandum. I have not read the abusive part which goes on and says that when he calls them "subsidy grabbers"—he called Roosevelt and Taft subsidy grabbers. This is the notice that accompanied it. This has a tendency, as I contend, to terrify other Representatives by the horrible example and the vengeance they have wreaked upon Küstermann.

(Mr. Steenerson read from the notice referred to, filed herewith, and marked "Exhibit O.")

OFFICE OF THE MERCHANT MARINE LEAGUE, CLEVELAND, OHIO.

*To the Friends of the American Flag:*

Inclosed is a copy of a letter sent to Congressman Gustav Küstermann, of Wisconsin, in reply to one received at this office from him, in which he questions the integrity of those American citizens who are to be found in every walk of life in this country and who are intensely anxious to have an American merchant marine as a support to our navy and to carry our mails, passengers, and commodities to South America and other countries with which we now have no direct communication whatever.

This simply shows that they are mailing it generally throughout the United States, this which charges Mr. Küstermann with being in the interest of the foreign ship lobby.

The CHAIRMAN. Before you proceed, you read a while ago from the Flag and handed it to the reporter. Did you read from that issue all you want in the record or are you asking that the entire document be printed as an exhibit in the hearing?

Mr. STEENERSON. I read, I think, all the marked parts, which I submit as all that is relevant on the point that the Merchant Marine League, through its publication, *The American Flag*, have charged the existence of a corrupt lobby in the interest of foreign shipowners and ship operators and of their side of the legislative question.

The CHAIRMAN. Then we will not have that marked as an exhibit?

Mr. STEENERSON. I will leave that.

Mr. MALBY. Following out the suggestion we made a few minutes ago, that you incorporate the parts which are marked by Mr. Steenerson, with the authority, if you see fit, to include such other parts as may be germane.

The CHAIRMAN. I think, if you desire any other part to go in the record you have not read, we will just have it marked as an exhibit and let it go in as an exhibit.

Mr. STEENERSON. I do not wish to have anything else but the marked parts.

The CHAIRMAN. Then it is all in the record?

Mr. STEENERSON. This part is not in the record. I want the names of the Merchant Marine League. That is printed on the back. I want that printed, showing who are issuing these charges.

Mr. MALBY. That was printed before, was it not? It is the same publication, is it not?

Mr. STEENERSON. Yes, it has the same names. Here are letters sent to other Congressmen. For instance, it was sent to Mr. Küstermann, and I believe I have received copies, although I can not find them. These were sent, as I am informed, to many Congressmen, and I contend that its object and purpose was to terrify and intimidate them by showing what they had done to others. Here, for instance, is Mr. Lenroot, of the Eleventh district of Wisconsin. Mr. Lenroot was interviewed by a paper in his district, a very brief interview, and they sent a copy of the letter to Mr. Küstermann, and to myself, I believe, although I haven't got that, and a great many others, and I do not see any objection to printing that letter.

Mr. KÜSTERMANN. No; and especially the one accompanying it.

Mr. STEENERSON. Will you have time for me to read these three pages? The important part is that calling Mr. Lenroot a liar, or saying that he willfully and maliciously lied.

The CHAIRMAN. Just as you please about reading it.

Mr. STEENERSON. I think I can read it very rapidly.

[Exhibit P.]

DECEMBER 15, 1909.

EDITOR OF THE SENTINEL,  
*Chippewa Falls, Wis.*

DEAR SIR: We note the item appearing in your issue of Thursday, December 9, in which you say as follows:

"Hon. Irvine L. Lenroot, of this district, says: 'I am opposed to a ship subsidy in any form, and shall work and vote against any such measure that may be brought before the House. I do not consider it right that the public should be further taxed for private enterprise. Ship subsidies are certainly not a legitimate subject for further taxes.'

"The American merchant marine can be built up without a subsidy. The present navigation laws could be bettered and, by reducing the tariff on materials which enter into the construction of ships, we could construct vessels as cheaply in the United States as in foreign countries."

Your Congressman states what he knows to be a deliberate falsehood when he states that "the people should be further taxed for private enterprise" if the proposed legislation were to become effective.

We know, you know, and everybody else knows who has given the subject a particle of consideration that the ocean mail act now before Congress, against which he voted in the last session, was passed unanimously by the Senate of the United States after it had been amended by the senior Senator from Texas—a strong Democrat—to read as follows:

"Provided, That the total expenditure for foreign mail service in any one calendar year shall not exceed the estimated net revenue to be derived from that source for that year."

This amendment, therefore, provided that the bill should not cost the taxpayers or the country one single dollar.

Congressman Lenroot knows, you know, and everybody else knows who knows anything about the subject that the present ocean mail act, which is now in existence and which we desire to have slightly amended—

Then follows a long argument about the meaning of the act. It then goes on:

¶ A good many Congressmen in the United States try to strengthen themselves with their constituents by giving out hysterical interviews that will encourage the impression that they are wonderful economists and very much devoted to the interests of the country, when, as a matter of fact, they are playing into the hands of the foreign shipping trusts and insisting on robbing this country of hundreds of millions of dollars a

year paid to the foreigners for carrying our own freight, while we have practically no ships of our own.

We are sending a copy—

Here is the important part, as to the matter of threatening others:

We are sending a copy of this letter to 100 business men in your own city, because we feel that the policy of misrepresentation, which has gone about far enough in this connection in Wisconsin, has got to be checked.

We have got all the right, all the truth, and all the justice on our side of the argument, and we have long ago found by experience that there are only two kinds of people in America—those who are enthusiastically in favor of the extension of the present ocean mail act, which is not in any way a subsidy, and the other kind, who know nothing whatever about it.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

That was the inclosure. Here is the letter that accompanied it in some cases, and there is another short letter with it, written on the official stationery of the Merchant Marine League [reading]:

[Exhibit Q.]

THE MERCHANT MARINE LEAGUE, CLEVELAND, OHIO.

Inclosed is a copy of letter which I have this day sent to the editor of the Sentinel.

We are going to keep on writing letters to the business men of Wisconsin until there is a better understanding on this subject in their State.

The constant publication of misleading and untrue statements with reference to our merchant marine should be checked in a State that is as enterprising and as proud of its stand for a fair deal as your own, and some day Wisconsin and its people will realize some of the truths connected with this question.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

The other letter, which is addressed to Mr. Küstermann and which he received through the mail with this inclosure, is as follows:

[Exhibit R.]

THE MERCHANT MARINE LEAGUE,  
*Cleveland, Ohio, December 16, 1909.*

Hon. GUSTAV KÜSTERMANN,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: Inclosed are copies of letter sent—

First. To the editor of the Sentinel, Chippewa Falls, Wis.; and

Second. To several hundred business men in the Eleventh Congressional District.

We are going to keep up a campaign of education in your State along this line until the people begin to realize the truth.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

This shows that he informed Mr. Küstermann—and I also got a similar letter to this, but I did not keep it, unfortunately—that he had sent out to 100 business men a copy of this letter, in which he calls Congressman Lenroot this, the equivalent of calling him a liar, "Your Congressman states what he knows to be a deliberate falsehood;" which, of course, is a criminal libel. The circulation of that statement in that letter to 100 business men, or one business man, in the State of Wisconsin is a crime under the laws of Wisconsin and the laws of Minnesota and the laws of the District of Columbia, such as would justify the indictment of Mr. Penton for a criminal libel and his incarceration in jail. He tells us that that is a sample of the letters he is sending out, and my contention is that this is relevant, because it shows what he intended to do to everybody who opposed him.

I want to read an extract from the Marion Daily Chronicle, of Indiana, upon the point that charges that there is a foreign ship-

subsidy lobby here, which is relevant under the last clause in my resolution, and which is the one that was held to be privileged.

(Mr. Steenerson read the editorial referred to, attached hereto and marked "Exhibit S.")

I have been trying to obtain the copy of the Texas Farmer, as referred to in the resolution of Mr. Hardy.

Mr. KÜSTERMANN. I can give you that.

Mr. STEENERSON. Have you it marked?

Mr. KÜSTERMANN. If you would like to have that read in there I will read it for you.

Mr. STEENERSON. I will call attention to this part of the records of Congress. Mr. Hardy, on his responsibility as a Representative, introduced a resolution, No. 184, which is mentioned in my resolution, which recites on his responsibility:

Whereas certain newspapers, more especially the American Flag, published at Cleveland, Ohio, by the Merchants' Marine League of the United States, and the Texas Farmer, published at Dallas, Texas, have made serious charges against the honesty and patriotism of the House of Representatives and of the Members thereof, and have also charged the corrupt use of money in bribing and hiring the public press of the United States to oppose certain legislation, to wit, legislation known as the "ocean mail bill," etc.

Mr. KÜSTERMANN. The Texas Farmer refers to the last number of the American Flag as follows:

If anyone doubts that some American Congressmen, newspapers, and Washington correspondents are the monetary beneficiaries of this disgraceful propaganda, he should read that number—

referring to the one you introduced. That is taken from it. I used it the other day.

Mr. MALBY. What is that an extract from?

Mr. STEENERSON. The Texas Farmer. I requested Mr. Hardy to produce the original, but I haven't got it. This refers to this American Flag that I have just read, where they speak about the ship captain who had said that if they needed more votes they could have had them. You remember that part?

Mr. MALBY. Yes.

Mr. STEENERSON. And he says, "If anyone doubts that some American Congressmen, newspapers, and Washington correspondents are the monetary beneficiaries of this disgraceful propaganda"—meaning hostility to the ship subsidy—"he should read that number."

Mr. Borland stated he was willing to come here, but the post-office bill was under consideration. He referred me to the Congressional Record, and I will state the substance of what that shows. He made a speech the other day—and I will give the page of the Record later—in which he stated that he received a copy of the American Flag last fall, and he returned it to the post-office and refused to take it because of the defamatory matter it contained, and the postmaster apparently sent it back. Then he received the letter, which is printed in the Congressional Record from one of the editors of the American Flag, in which, among other things, it is stated that they had received the returned copies of the American Flag; that if he meant to insult them by returning them, "we will show you up in the next issue," and so he took occasion to answer and dared them to show him up. This is a threatening letter, that is quite plain. He printed it in the Record, and he has the original.

Mr. MALBY. Was his reply also printed?

Mr. STEENERSON. Yes; it is part of his speech. I do not suppose it is necessary to have Mr. Lenroot here, although he offered to come and show that these facts that appear from Mr. Penton's letter took place; that he gave this interview; and that they sent out these one hundred letters, and he received quite a large number of them back from his constituents, wherein he was abused and defamed, as I say. I requested Mr. McCleary to be here. I do not know whether it is important or not, but it seems to me that on this investigation you could not go into the truth of these charges, because all you need to know, as I understand the practice in the House of Representatives, is that these charges were actually made and in existence. I cite, for instance, the case of Walter Christmas, who was an alleged secret agent of the Danish Government, and also a kind of an agent of our Government, inasmuch as the ambassador of this country had told him to negotiate. He made a report that he had arranged for a sale of the West Indian Islands for \$5,000,000, but was to retain \$500,000, 10 per cent, which he was to pay to Members of Congress as a bribe for carrying the cession through Congress. Mr. Richardson, of Tennessee, had no proof except copies of the report, purported copies, newspaper articles, and it was stated on the floor in the debate that this was the statement of a confessed thief, and yet they believed it was necessary to investigate in order to set these charges right and vindicate those who had been accused of corruption. I have an extract from that Christmas case here. There was a resolution similar to this. That was on March 27, 1902 [reading]:

[Exhibit T.]

Mr. Richardson, March 27, 1902, in support of his resolution to investigate and report on the truth or falsity of the charges contained in the secret report of Walter Christmas, an agent of the Danish Government, regarding the purchase by the United States of the Danish West Indian Islands, and which report has been published in Danish and American newspapers, and which contained a statement that Christmas had agreed that he should retain 10 per cent of \$5,000,000 purchase money, with which sum of \$500,000 he was to reimburse himself for bribes to the Members of the United States Congress, said:

"Mr. Speaker, I believe I have nothing further to say. I believe that the resolution ought to pass unanimously. I believe they are worthy of the attention of the House. The charges may not be true. I do not vouch for their truth, but here they are, the report of our own agent and the report of the agent of the Danish Government. They ought to be investigated fully and a report made. If the American Congress has been foully slandered, as I believe and as I hope the truth will show they have, no man will rejoice more than myself."

After some debate and correction of language of the resolution the same was put and agreed to.

That is only one instance. There are hundreds of precedents. These charges that I have pointed out here are made in these newspapers, in the American Flag, and these charges that I make here, that they have, by means of threatened libel and defamation in letters and newspapers, threatening to abuse Members, sought or attempted to influence their actions, ought to be investigated.

The CHAIRMAN. That charge you make on your own responsibility?

Mr. STEENERSON. Yes, sir.

The CHAIRMAN. The charge as to large sums of money and corruption funds raised by foreign shipowners for the purpose of influencing Members you do not make on your own responsibility?

Mr. STEENERSON. No. On page 3 of my resolution is this language:

Whereas it is charged in the publications purporting to be issued by the said Merchant Marine League, and also in the Texas Farmer, a newspaper published at Dallas, in the State of Texas, that large sums of money—

These are assertions. In support of that I will quote the statement of the gentleman from New York that he at least suspected and believed that there was a foreign ship lobby, or a lobby in the interest of foreign shipping, as appears by the public reports of his conversation. I contend he went a good deal further than that, but I do not want to have any personal altercation with any man, so I will simply state that his own statement in the newspaper shows he believes there was such an organization, and therefore it ought to be investigated and settled whether there is such an organization, and whether they are influencing Congressmen, or have attempted to influence them, against ship-subsidy legislation.

To show that this attempt to influence Congressmen and newspapers by threatening to defame them is not entirely confined to my case, I will say that the Chicago Tribune for last Friday, after reciting the contents of the resolution, and that there was going to be an investigation, says:

[Exhibit U.]

The Tribune has had some experience with the Merchant Marine League of Cleveland, at which Congressman Steenerson is aiming in his resolution. Its secretary, John A. Penton, has conducted a campaign of abuse and threats against this newspaper because it has fought the ship-subsidy graft from its inception.

The last time Mr. Penton threatened this newspaper openly was in a letter written last January and published in the Tribune under the title, "A letter from a lick-spittle." The Tribune then said of Mr. Penton: "The following letter is from a Uriah Heep, who makes a living scooping the crumbs from the tables of the rich men in Cleveland, while he dusts their shoes with his other hand."

So far as the letter which we publish is concerned, we must add him to the increasing number of self-seeking citizens who lie. He attacks all the business interests of Chicago. Our recollection of his connection with the business interests of Cleveland is that he earns his living by publishing blaséd information as if it came from disinterested sources.

"SHOWS BULLDOZING TACTICS.

"Mr. Penton's letter said that the Washinton correspondent of The Tribune 'shows the usual measure of ignorance and maliciousness in keeping up this warfare in spite of the known attitude of the business interests of your city and State on this important subject.'

"Then he adds, as a final warning:

"'We are sending a copy of this letter to all members of the Illinois Manufacturers' Association, who have time upon time again adopted resolutions in favor of our Government doing something to bring about a change in the present fearful condition.'"

In the paper that came to-day the Chicago Tribune editorially reviews the charges in regard to the existence of a foreign ship lobby, and the charge that Congressmen have been influenced by a foreign ship lobby, and says that unquestionably this investigation ought to be made. I also received the Pioneer Press, which editorially says the same thing. I do not see how anybody who has been reflected upon can be vindicated in any other way. Here are these gentlemen from Wisconsin, at least two of them, whose motives have been questioned. And here is myself.

When this thing occurred in November they charged that there actually was a ship lobby here, that this ship captain said they had used bribery; that was uttered in November. I had just been notified they were going to print something about me. December, the next issue, comes, and devotes 12 pages to me under the caption and title, "Does he represent his own district or a foreign ship trust?" which they had exploited so much in their previous number. These facts all taken together, I submit, reflect upon my honesty, and it would in the mind of anyone who values his reputation for honesty, and I know you all do. I notice how sensitive all the Members are. It would have a tendency to inspire them with dread and fear; not that anybody through dread or fear is going to be unfaithful to his trust or duty as a Congressman, but still, at the same time, it has a great force and a tendency to either dampen a man's ardor in the cause of the people, or what he believes to be the cause of the people, or cause him to abandon the fight, and therefore necessarily influence a Representative, however honest he may be, and that this is an interference with free representative government, and an interference with the privileges of the House and of the Members.

Mr. MALBY. Have you in mind any precedent which you could quote as to when the House has acted upon matters similar to this?

Mr. BRANTLEY. He cited one.

Mr. MALBY. Yes; he cited one in 1902.

Mr. STEENERSON. I have no doubt that the chairman remembers the Lilley charges.

Mr. MALBY. I did not know but what you had in mind some precedent.

Mr. STEENERSON. If I had the time I could easily hunt them up. I think the gentleman from New York, being an old legislator, remembers distinctly that these preliminary hearings do not involve going into the merits; simply the question of whether there are charges of sufficient dignity and authority to justify us in paying any attention to them.

Mr. MALBY. I will state it this way, in the first place, as to whether the charges do amount to a charge of criminality against the body; that is, against the House of Representatives itself, not exactly whether there is a charge against a particular Member of a body, because that would be a simple libel against the individual for which he would seek redress, perhaps, in the courts; but the question, I apprehend, might be, according to the precedents, as to whether there was a charge of general corruption against the House itself.

The CHAIRMAN. Mr. Malby, on that question, don't you think that if a Member of Congress has been charged with corruption he has a right to ask Congress for an investigation?

Mr. STEENERSON. Certainly.

The CHAIRMAN. If he has been charged with corruption as an official?

Mr. STEENERSON. Yes, sir; and that is what was done with Lilley, although he refused to make the charges.

Mr. MALBY. I think that might be so.

Mr. STEENERSON. The Lilley case would be easily accessible, but I would not like to state it from memory.

Mr. MALBY. As I read this testimony as we go along here, I do not quite see—perhaps it amounts to a criminal libel, but it does not

appear very plain that it is—that is, I don't think they mean to charge Congressman Steenerson with corruption.

The CHAIRMAN. The worst they have said is this, that he is the representative of the foreign shipowner. A man, I think, might speak the cause of the foreign shipowners on the floor of the House and be absolutely pure, but it might imply that he is the hired representative of the foreign shipowners.

Mr. MALBY. If it does, that is a crime, and that is just the point.

Mr. STEENERSON. Yes; and taken in connection with the other statement that they claim to have bribed Congress and intend to bribe them again.

Mr. MALBY. That is the serious part, as to whether they have made a direct charge.

The CHAIRMAN. Mr. Steenerson says, after having made the charge that he is the representative of the foreign shipowners, they follow it up with these other charges in a general way—that they have raised funds to corrupt Members.

Mr. MALBY. And try to have it understood and believed that he, either consciously or unconsciously, has acted with the scheme. I do not think that they do charge Mr. Küstermann or Mr. Steenerson.

Mr. KÜSTERMANN. They charge me directly with bribe taking, and I will show you a letter containing such accusation.

Mr. STEENERSON. I would be glad to have that submitted. For myself, I want to submit to the committee that I, too, have served in other legislative bodies where this question came up, but it is some time ago. I have a strong impression that the practice is that where the charges, even if they are vague, and even if they are not sufficient in themselves to constitute an indictment at the common law, yet if they are sufficient to create the general impression that there is corruption, either on the part of the whole body or on the part of any particular individual member of the body, that the members of that body, or the particular individuals affected, are entitled, in order to clear their reputations, to an investigation, and have it affirmatively settled that they were not bribed or influenced.

Mr. MALBY. Where the charge has reference to the discharge of their public duties.

Mr. STEENERSON. Certainly. And in my own case a postmaster of my district says they have sent out probably 40,000. There are no more voters than that in my district; just about that many. Every voter has it, and they very naturally might say, "Why don't he deny it?" There is no opportunity to deny it. If there is anything in any of these insinuations against anybody, then they ought to be punished; those who are guilty ought to be punished. But our reputations, the reputation of the gentleman from Wisconsin, the reputations of all of them and of myself, it seems to me, can in no other way be set right than to have an investigation, and have it determined that these charges or insinuations are false. I do not claim for a minute that that sets us entirely right, but it is as far as Congress can go, and the other remedies will be for the courts.

The CHAIRMAN. Now, Mr. Steenerson, a moment ago you said you wanted the representatives of the Merchant Marine League to be present before this committee.

Mr. STEENERSON. I said so, because I wanted to have their authority.

The CHAIRMAN. I do not think it is within the province of the sub-committee to hear those gentlemen, or anything they have to say, unless they have got something to say that goes to show, not whether the charges are true or false, but whether the charges were actually made as set forth in your resolution.

Mr. STEENERSON. I agree with the chairman; that is the practice of legislative bodies.

The CHAIRMAN. I do not think we want to go into the question as to whether these charges are true or false, and I do not think we want to hear the other side. That is beyond our authority.

Mr. MALBY. If they ever did believe in the charges contained in the resolution do they still adhere to them; do they say, "Yes, the charges are true; we are ready to prove them?"

Mr. STEENERSON. They have failed to apologize. They are apparently laying up for another attack.

Mr. KÜSTERMANN. When here they might be asked whether they actually sent out those letters.

#### STATEMENT OF HON. GUSTAV KÜSTERMANN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN.

The CHAIRMAN. We will hear you now, Mr. Küstermann.

Mr. KÜSTERMANN. I will not detain you very long. Mr. Steenerson has gone over the ground very thoroughly. I only want to say that, while he has been abused, I have been the most abused of all. Ever since I made a thorough study of that question of the merchant marine, and a most earnest study, I have been abused by this Merchant Marine League, starting a year ago with a letter that was sent me and a copy sent to every Congressman, in which they say as much as that I had been bribed, and for that reason was taking the stand I was taking.

The CHAIRMAN. Will you indicate in that circular just what part of it you complain of?

Mr. KÜSTERMANN. This is the first letter the Merchant Marine League sent out:

It seems to us that for anyone born and educated in Germany, and who commenced his business career in Hamburg, where are located the headquarters of the great European steamship trusts, to come to this country and question the intelligence of its loyal citizens in advocating a measure in behalf of the American flag, shows poor taste, to say the least.

He also refers in this letter to the vice-president of the league in our State of Wisconsin, Mr. Whiteside —

a plant employing from three to five thousand workingmen and the writer would be willing to wager something that you would never stand and tell him face to face that he is either a "subsidy grabber" or a friend of "subsidy grabbing." The Ninth District of Wisconsin would very quickly need another Congressman if you ever attempted it.

Ever since they have been, in their American Flag and in other papers, attacking me in the most shameful and vicious manner, and all this in the face of the fact that I wanted to change the flags of foreign countries over American-owned ships to the flag of our country. I have, after careful consideration, introduced a bill which will change the foreign flags to American flags on over 300 ships, and I have the assurance from the shipowners that this will be done if the bill is enacted into law.

Mr. STEENERSON. Of course, this is not relevant.

The CHAIRMAN. I wish you would now, or whenever it is convenient, just indicate in those papers or publications the part which you say charges or intimates that you have been guilty of corrupt practices.

Mr. KÜSTERMANN. Here is a letter written to one of my friends in Green Bay Wis., in my own district, who refused to accept the American Flag after he saw in it the abusive article about me which in part has been read here. I have it all here, but I will not take up your time to go over it. When my friend wrote to the publishers not to send him the American Flag any longer, the editor of the American Flag wrote to Mr. Foeller:

NOVEMBER 18, 1909.

Mr. H. A. FOELLER (FOELLER & SCHOBER),  
*Green Bay, Wis.*

DEAR SIR: We have yours of November 12, in which you ask that we discontinue sending to you the American Flag, the official bulletin of the Merchant Marine League of the United States.

The Merchant Marine League may not be able to convert you to the cause of such legislation as will restore America's merchant marine, but we are happy to say that this little booklet which you say is an insult to the American flag will have been the means of thoroughly defeating the subsidized and retained congressional representatives of the foreign shipping interests who have deliberately deceived their constituents for years, and who have practiced fraud and infamy in their attack of the American flag, and whose real loyalty is to Hamburg, Germany, instead of to the United States.

This is all referring to me and to the letter that my friend had written [continuing reading]:

While it is true that you may be a decent citizen, yet you are not the only one in the country. There are thousands of men who probably consider themselves just as good morally as you consider yourself who are heartily in sympathy with every word uttered in the last number of the American Flag. The truth with you is that you have been deceived—grossly deluded—and that the truth hurts; in other words, you have been “stung.” It is not likely that you know very much about the merchant marine question or you would not become so indignant in your defense of those men who have treacherously struck at the flag of the United States.

Yours. very truly,

JOHN M. MAXWELL, *Editor American Flag.*

That is certainly an attack that is worth while looking into. If I am guilty of any such offense, I should be expelled from Congress, and I think it is my right to have an investigation to determine whether those charges can be sustained.

But they are continuing their persecution. Here is the Chronicle, of Marion, Ind., that has been sent to my district in thousands of copies, and it devotes two columns editorially to me. The first one is headed “A disgraceful dicker,” really accusing me of accepting a bribe from the foreign ship trust. That is the same paper that was referred to by Mr. Steenerson. I only want to say that this has been sent throughout my district. I have heard from it again and again and again. My friends there tell me that almost every business man and every professional man in their cities has been supplied with a copy of this paper, for no other purpose than to defeat me in the next election. All this because I did what I thought to be right.

Similar charges have been made by others. There is a little booklet that was published in the interest of the Merchant Marine League, called *The American Merchant Marine. Its Rise and Fall, and Why.*

By W. P. Hackney, of Kansas. The author says, among other things:

In fact, it is not doubted by any man who has made a study of the causes responsible for our humiliation in this respect, and the evidence thereof is ample to the effect that the most wonderful lobby in the history of the commercial world has been organized by the aggregated shipping interests of the world at an expenditure of millions of the money of the corporations engaged in that industry, backed by the national treasuries of their Government, whose paid emissaries drag their slimy folds in and out of the Congress and raise their hideous and damnable heads in the editorial sanctums of our great dailies, magazines, and newspapers, and lesser periodicals all over this broad land, whereby the people are beguiled in this matter to their own shame.

The CHAIRMAN. Does that refer to any particular Member of Congress in any way?

Mr. BRANTLEY. No; that is Congress.

Mr. KÜSTERMANN. That refers to all the Members of Congress.

Here is another extract from the same booklet:

Oh, men! if you love your country; oh, men! if you love your fellow-countrymen! why will you allow these foreign influences amongst us, to shackle your minds and actions longer? Are you blind, that you can not see where we are, and whither we are drifting?

Are there statesmen among you? And if yea, are there enough among you with intelligence and courage sufficient to withstand the misrepresentations and abuse of these paid hirelings of these foreign beneficiaries of our shame, whose interference in American politics has beguiled us to our ruin in this matter so long? If so, will you do it?

Every man in these United States who opposes the principle of a ship subsidy is either an ignorant ass, an unprincipled demagogue, or the paid hireling of the baleful influences referred to.

I will not detain you any longer. I believe that I am justified, gentlemen, in asking that a most thorough investigation be made. There may be some among my people who actually and truly believe what has been stated in the papers that have been sent to them, and I believe the true facts should be brought out. If I am guilty, I am ready to suffer for it; but so far I feel innocent of any offense. They are referring to Hamburg. When I was in Hamburg as a 16-year-old boy I did not even know who were the people connected with these interests.

Mr. MALBY. They did not have a very big line at that time?

Mr. KÜSTERMANN. They had quite a line then. I could see the ships, and that is all; but a poor boy, as I was, sometimes not knowing where the next meal was coming from, I could not get very close to those great shipowners. Again, I join Mr. Steenerson in asking that a most thorough investigation be made, and if they are honest, those members of the Merchant Marine League, they should also demand an investigation. They have stated again and again that such a lobby existed, and that the Congressmen were being bribed. Now, then, let them prove it if they can. Let us have the investigation by all means. It is no more than fair.

Mr. STEENERSON. I will say to the committee that if this resolution is carried I shall do my best to bring forth all the evidence possible in addition to those who may be employed by the commission. I offer my services gratuitously to bring out all the evidence on both sides of this question, and I want it thoroughly investigated, and in no other way do I think these Congressmen from these different States can be set right.

Mr. KÜSTERMANN. One matter, if you will excuse me. Mr. Steenerson, read this part of the Texas Farmer:

If anyone doubts that some American Congressmen, newspapers, and Washington correspondents are the monetary beneficiaries of this disgraceful propaganda, he should read that number of the American Flag.

The CHAIRMAN. What are you reading from now?

Mr. KÜSTERMANN. From the Texas Farmer. I am quoting from a speech which I made. "In another part they state, 'Texas Congressmen, if they would escape suspicion, should read that exposé,'" about me, about Mr. Steenerson, about others—"and ponder."

Mr. BRANTLEY. You are going to file that Texas Farmer?

Mr. KÜSTERMANN. Yes.

Mr. STEENERSON. I have asked Mr. Hardy, but he has not appeared. I think I will be able to produce it.

Mr. BRANTLEY. The original Texas Farmer ought to be filed.

Mr. STEENERSON. What is the date of it?

Mr. KÜSTERMANN. It just came to hand the morning when I made the speech.

Mr. STEENERSON. I sent that word to Mr. Hardy by special message Saturday night, but he is not here. I will go to the library and have search made and find it just as quick as we can.

Mr. KÜSTERMANN. I just received it the morning when I made my speech, about December 10.

Mr. STEENERSON. I will see Mr. Hardy and find out if he has an extra copy. If not, I will go to the library. The following is an extract from the speech of Mr. Humphrey, found on page 43 of the Appendix to the Congressional Record, Sixtieth Congress, second session, and was printed after this present Congress convened. I have informed him he would be heard by the committee if he desired, but he said he did not desire to be heard. The following is cut from his speech above referred to:

Now, if the American shipowners could not run these ships which they already had, which they already owned, on established lines with established business, would they buy foreign ships if given the opportunity and attempt to run them? It seems to me beyond comprehension how even the most stupid can contend that any American citizen would purchase a ship abroad, whatever the price might be, and run it at a profit, when he can not run the vessel which he already owns. If ships were given to the American owner, he could not run them. The advocates of free ships can not give the name of a single responsible man, of a single responsible firm in America, that will agree to purchase a foreign ship and run it in the foreign trade under the American flag if given the opportunity; not one. No man can name a single American who owns or who has an interest in a foreign ship that if given the opportunity would place that ship under the American flag and run it in the deep-sea trade; not one. This challenge has been made publicly in every important port of the United States repeatedly during the last five years, and no man has dared deny it and no man will contradict it to-day. On the contrary, practically every shipping firm of importance in America has been asked this direct question by the Merchant Marine Commission, of which I had the honor of being a member: "If given the opportunity, would you purchase a foreign ship and run it in the foreign trade under the American flag?" And every one of them has answered "No." In view of these indisputable facts it is hard to treat with patience the attempt to revive the old theory of free ships. It can have but one effect, and that is a tendency to defeat any legislation of real advantage to our merchant marine. The theory of free ships was fathered by the foreign steamship lobby in this country, and foreign steamship interests have spent millions to promulgate it throughout this nation. They have been so anxious to impress upon Congress this theory that they have their agents here in the Capitol advocating it to-day. This theory is so dear to foreign interests that their representatives have repeatedly had the insulting audacity to appear before the committees of Congress to urge its adoption.

The following is an extract from a speech delivered in the House of Representatives by Mr. Borland, on January 13, 1910:

There is published in Cleveland, Ohio, a pamphlet bearing the honored name of the American Flag, whose methods have been to bulldoze and threaten Members of Congress whose views on such a ship subsidy did not suit the organization. The amount of misinformation and false statistics spread by this pamphlet and the thoroughness with which the organization has gone about its task is appalling to friends of free government.

Mr. SMITH, of Iowa. Mr. Chairman, I would like the gentleman to tell whether he is in favor of carrying that magazine at a loss.

Mr. BORLAND. Mr. Chairman, I will say to the gentleman that I had a discussion with the editor or pretended editor of that magazine on that very question, and he, perhaps not liking my position, said that he would expose me in his magazine, and I take it that he will do so, as he has done with others. I might refer, in passing, to the letters that passed between us:

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, November 19, 1909.*

Hon. WILLIAM P. BORLAND,  
*Kansas City, Mo.*

DEAR SIR: The mail to-day brings us the envelope of the American Flag, the official bulletin of the Merchant Marine League of the United States, marked, "Mr. Borland refuses to accept. Return to sender."

We wish to understand definitely if this is your attitude in regard to our publication. Kindly let us hear from you, as the next issue of the American Flag is about due, and if it has been your desire to insult us, we wish to pay you the respects of this organization in the columns of our publication.

Very truly, yours,

JOHN M. MAXWELL, *Editor American Flag.*

(Thereupon, at 3.45 o'clock p. m., the subcommittee went into executive session.)

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[Extract from the Texas Farmer, July 10, 1909.]

We have before us a speech Hon. William E. Humphrey made in the House March 1, 1909, and on page 6 we find this language: "The theory of free ships was fathered by the foreign steamship lobby in this country, and foreign steamship companies have spent millions to promulgate it throughout this nation. They have \* \* \* their agents here in the Capitol advocating it to-day. \* \* \* Their representatives have repeatedly had the insulting audacity to appear before the committees of Congress," etc. If Mr. Stephens and Mr. Hardy want to run down these charges, they might get information from Mr. Humphrey and many other Members who have made similar charges in their speeches. Or they may get some information from the officers of the Merchant Marine League, headquarters at Cleveland, Ohio, Hon. John A. Penton, secretary.

While Texas Farmer is not responsible for the charges in the article, there is hardly room to doubt that they are true, unpublished history being replete with examples not only of corrupt lobbies at Washington, but "occasionally" even a corrupt Senator or Representative has "bobbed up serenely." This ought not to be, but our purpose does not now make its discussion pertinent.

Mr. HUMPHREY. I desire to say to the committee that I have a telegram from Mr. Penton, secretary of the Merchant Marine League, saying that he hopes an investigation will be had and that he will be given an opportunity to be heard.

TELEGRAM RECEIVED BY CHAIRMAN OF THE COMMITTEE ON THE JUDICIARY.

Hon. RICHARD WAYNE PARKER,  
*House of Representatives, Washington, D. C.:*

CLEVELAND, OHIO, *March 5, 1910.*

Understanding that there is before your committee a proposition to investigate affairs of this organization we desire to most respectfully urge that this shall be ordered by you immediately, and that it shall take place as quickly as possible and be as full and complete as can be made. The Merchant Marine League of this city has been

carrying on a campaign of education for several years, with the view of arousing the people of this country to a realization of our fearful conditions the extent to which our lack of ships is a constant menace to our country and our need for them as auxiliaries to our army and navy in time of war and to carry our mails and passengers in time of peace in this we have none of us had any other interest than that of patriotism, but have been confronted from the beginning by an organized opposition that has depended upon false representation for its arguments, and as a result our foreign trade and our possible future safety are in the hands of foreign shipping trusts who are able to dictate and control freight rates on our commerce and shut us out from markets that should be ours. Let the investigation be as free as it can be made and commence as soon as convenient, but we beg to express the hope that no testimony will be taken until our executive committee can be present.

MERCHANT MARINE LEAGUE OF THE UNITED STATES.  
Jos. G. BUTLER, Jr., President.

## APPENDIX.

### EXHIBIT A.

#### THE AMERICAN FLAG—ISSUED BY THE MERCHANT MARINE LEAGUE OF THE UNITED STATES—PLEDGED TO THE REBUILDING OF OUR OCEAN-GOING SERVICE.

[Cleveland, Ohio, December 1, 1909, No. 8.]

#### FRIENDS OF THE MERCHANT MARINE?

Let everybody sit steady in the boat. The lines of battle are steadily being formed between those who prefer American need as against foreign intrigue in the great fight for the restoration of America's merchant marine. It is not to be expected that the foreign shipping interests will surrender their 90 per cent control of America's ocean traffic and their millions of dollars of annual profit, to say nothing of the absolute control of the world's commerce, the ocean highways, and the consequent naval strength that goes with all this, without a most desperate resistance. But a spirit of aggressive and resentful Americanism is rapidly rising over the country which will enthusiastically support Congress in the enactment of needful legislation. Some of our friends have shown a little tendency to become excited simply because we have forced the enemy into the open, but there is no need to get panicky. We are going to win this fight and win it right. But once again, if you are with us, do your part and let your views be known to your Congressmen. If we are asking anything wrong, we do not wish your support. But if we have appealed to your judgment, your patriotism, your sense of Americanism, then act as a loyal citizen of the Republic. The Humphrey bill now before the Committee on Merchant Marine and Fisheries provides that its passage shall practically cost nothing, and it will be the dawn of a new era of prosperity reaching every home in the land.

*The Merchant Marine League of Seattle, 225 Globe Block, Seattle, Wash.*—E. C. Hughes, president, Hughes, McMicken, Dovell & Ramsey, lawyers; John H. McGraw, vice-president, McGraw, Kittinger & Case, real estate and insurance; F. W. Baker, vice-president, treasurer Seattle Hardware Company; J. W. Clise, vice-president, president The Washington Trust Company; W. M. Calhoun, treasurer, president Calhoun, Denny & Ewing, insurance and real estate; John P. Parkinson, secretary, publisher Railway and Marine News. Executive committee: John L. Wilson, president Post Intelligencer Publishing Company; D. H. Jarvis, treasurer Northwestern Commercial Company; I. A. Nadeau, director-general A. Y. P. E.; C. J. Smith, capitalist; Geo. F. Thorndyke, manager Globe Navigation Company; James S. Gibson, manager Washington Stevedore Company; H. R. Clise, lawyer; J. V. Paterson, vice-president and general manager The Moran Company.

*Shipping League of Baltimore, 903, 905, 907 Calvert Building, Baltimore, Md.*—B. N. Baker, president; Robert Ramsay, vice-president; J. Fred Essary, secretary. Executive committee: Thomas H. Bowles, chairman; B. Howell Griswold, jr., Norman James, Lynn R. Meekins, Waldo Newcomer.

*The Merchant Marine League of California, 719 Marvin Building, San Francisco, Cal.*—Frank B. Anderson, president, president Bank of California; R. P. Schwerin,

first vice-president, vice-president and general manager Pacific Mail Steamship Company; Capt. John Barneson, second vice-president, president Barneson-Hibbard Company; C. C. Moore, third vice-president, president C. C. Moore & Co.; Albert E. Castle, treasurer, Castle Brothers; C. C. Henion, secretary. Executive committee: George W. Dickie, naval architect; James McNab, president San Francisco Chamber of Commerce; Fred. C. Parker, president American Biscuit Company; Andrew Carrigan, Dunham, Carrigan & Hayden Co.; F. W. Van Sicklen, president Dodge, Sweeney & Co.; James Rolph, jr., president Merchants' Exchange; J. A. McGregor, president Union Iron Works.

*The Musical Industry Merchant Marine League, Station G, New York.*—J. A. Coffin, president, Aeolian Company; L. M. Ide, vice-president, The Laffargue Company; B. H. Janssen, treasurer, pianos; George W. Gittins, secretary, Kohler & Campbell. Executive committee: Frank C. Decker, Decker & Sons; H. Paul Mehlin, Paul G. Mehlin & Sons; R. W. Lawrence, Aeolian Company; Charles Jacob, Jacob Brothers; Sidney N. Mayer, J. & C. Fischer.

*Executive officers, Merchant Marine League of the United States.*—President, J. G. Butler, jr., Youngstown, Ohio; vice-president, Myron T. Herrick, president Society for Savings, Cleveland, Ohio; treasurer, J. J. Sullivan, president Central National Bank, Cleveland, Ohio; secretary, John A. Penton, publisher Iron Trade Review, Cleveland, Ohio. Executive committee: Myron T. Herrick, chairman, Society for Savings, Cleveland, Ohio; M. Andrews, M. A. Hanna & Co., Cleveland, Ohio; E. C. Converse, New York City; Samuel Mather, Pickands, Mather & Co., Cleveland, Ohio; F. F. Prentiss, Cleveland Twist Drill Company, Cleveland, Ohio; Ambrose Swasey, Warner & Swasey Company, Cleveland, Ohio; James H. Dempsey, Squires, Sanders & Dempsey, Cleveland, Ohio; Edward Hines, Hines Lumber Company, Chicago, Ill.; D. Z. Norton, Oglebay, Norton & Co., Cleveland, Ohio; Abraham Stearn, Abraham Stearn Company, Cleveland, Ohio; Geo. H. Worthington, Cleveland Stone Company, Cleveland, Ohio; Frank Billings, Tod-Stambaugh Company, Cleveland, Ohio; A. F. Estabrook, Estabrook & Co., Boston, Mass.; W. P. Murray, Pickands, Mather & Co., Cleveland, Ohio; M. A. Potter, E. C. Atkins & Co., Indianapolis, Ind.; D. A. Tompkins, D. A. Tompkins Company, Charlotte, N. C.

*State vice-presidents, Merchant Marine League of the United States.*—California, Col. George H. Pippy, attorney, San Francisco; Colorado, Frank E. Shepard, The Denver Engineering Works Company, Denver; Connecticut, Charles M. Jarvis, The American Hardware Corporation, New Britain; Delaware, Hiram R. Burton, Lewes, Del.; Florida, John G. Christopher, president J. G. Christopher Company, Jacksonville; Georgia, Robert J. Lowry, Lowry National Bank, Atlanta; Illinois, Frederick W. Upham, City Fuel Company, Chicago; Indiana, W. C. Dickey, Ward-Dickey Steel Company, Indiana Harbor; Kansas, H. A. Rose, secretary Kansas State Retail Merchants' Association, Leavenworth; Louisiana, S. A. Trufant, Citizens' Bank of Louisiana, New Orleans; Maine, James W. Parker, St. John Lumber Company, Portland; Massachusetts, John Hays Hammond, Gloucester, Mass.; Michigan, George H. Barbour, The Michigan Stove Company, Detroit; Minnesota, ex-Governor S. R. Van Sant, Minneapolis; Missouri, W. D. Simmons, Simmons Hardware Company, St. Louis; Nebraska, A. L. Gale, editor Lincoln Daily Star, Lincoln; New Hampshire, Alfred F. Howard, Granite State Fire Insurance Company, Portsmouth; New Jersey, Ferd. W. Roebling, John A. Roebling's Sons Company, Trenton; New York, O. P. Letchworth, Pratt & Letchworth, Buffalo; North Carolina, S. B. Tanner, president The Henrietta Mills, Caroleen; North Dakota, H. C. Plumley, The Fargo Forum, Fargo; Ohio, D. B. Meacham, Rogers, Brown & Co., Cincinnati; Oregon, Gen. Charles F. Beebe, Portland; South Carolina, Geo. W. Brunson, jr., editor News, Greenville; Tennessee, Whitefoord R. Cole, Napier Iron Works, Nashville; Virginia, Walter A. Post, First National Bank, Newport News; Washington, Hon. John H. McGraw, ex-governor, Seattle; West Virginia, N. E. Whitaker, President Whitaker-Glessner Company, Wheeling; Wisconsin, W. H. Whiteside, president Allis-Chalmers Company, Milwaukee; Wyoming, W. C. Deming, editor Tribune, Cheyenne.

#### EXHIBIT B.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, June 30, 1909.

Mr. E. A. FORCE,

Care the United States Fidelity and Guaranty Company.

DEAR SIR: The Merchant Marine League is very glad, indeed, to get your kind letter of June 26 and to hear that you are pleased with The American Flag. Your name is on our mailing list and you will continue to receive the publication as long as it is issued.

The league is very hopeful that needful shipping legislation may be passed during the present Congress—perhaps sometime next winter. We have been at work on this great problem for five years. We have had to overcome an immense amount of prejudice and misunderstanding. The newspapers and Democratic politicians have made the people believe that the only desideratum in this great question is “subsidies.” The Merchant Marine League is not after “subsidies.” It does want the settlement of the merchant marine. It does want the flag restored to the salt seas. If there is any way that it can be done without subsidies, the Merchant Marine League is for it. We, however, have made a study of this great problem and we do not see how we can restore the flag to the ocean-going service unless we meet the competitive pace set by other nations.

The Democrats say: “Give us ‘free trade,’ give us ‘free ships,’ give us ‘cheap labor,’ and then we can build ships as cheaply here as they can be built abroad, and with the cheap labor on the same seas we can operate the ships as cheaply as foreign nations can operate them.” Well, suppose that we had “free trade,” “free ships,” “cheap labor,” and all that kind of thing. Suppose that this nation was on an exact economic footing with Great Britain. England gives \$10,000,000 per year to aid her foreign shipping. Would not this country be compelled also to give \$10,000,000 per annum should we expect our ships to be able to compete with those of England? This seems to be very simple, and we think that a child should understand it; but, wonderfully enough; supposedly intelligent men sent to Congress can not understand the situation, or if they can understand it they will not, and thus our friends have met with defeat up to this time.

The ocean-mail bill that passed the Senate without dissent last spring was defeated by a vote of 175 to 172 in the House. Your Mr. Halvor Steenerson, Republican, of Crookston, Minn., Representative from the ninth district, was one of the recalcitrant Republicans with the almost solid southern Democratic delegation to defeat legislation most vigorously urged by President Roosevelt and strongly urged by Secretary of War Taft, who is our President to-day. What is the matter with Mr. Steenerson? Why should he oppose a fine, strong American policy that means so much to his own State? Does not Mr. Steenerson realize that it is the foreign demand that sets the price on many of our home products? For if there were no foreign demand, the prices would inevitably fall because of the excess of production being dumped on the home market. Mr. Steenerson certainly knows that trade follows the flag and why he should prefer the company of Democrats and the foreign shipping “plunderbund” that is taking \$300,000,000 annually from the people of this country is something we do not understand.

But there is to be an accounting very soon on this matter. The league is engaged in a tremendous educational campaign at present and does not propose that American interests shall longer be sacrificed for the benefit of the foreign shipping trust.

We are very glad to say that Mr. Steenerson is the only member of the Minnesota congressional delegation that has been unwilling to subscribe to the Republican national platform of the last twelve years, in each of which there has been a direct promise to enact such legislation as will restore the marine. Mr. Steenerson evidently cares little for the platform pledges of his party.

The Hon. Frank Melin Nye, your Representative in Congress, has always voted right on the merchant-marine question. He is deserving of the respect and confidence of his constituents.

Since your congressional district is all O. K., we do not see what more you can do for us than to agitate this question whenever opportunity offers, and make public opinion where and when you can. Thanking you again for your kind letter, we are,

Very truly, yours,

JOHN A. PENTON, *Secretary.*

#### EXHIBIT C.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, October 11, 1909.

Mr. J. P. DOTSON,  
*Editor Crookston Times, Crookston, Minn.*

DEAR SIR: We are desirous of finding out in a quiet way whether your Congressman, Halvor Steenerson, has been to Europe recently. Will you not kindly find out for us how often Mr. Steenerson has been to Europe in the last five years, and what steamship line he took in going to Europe. Did he take any of the members of his family with him?

On receipt of this information we shall be very glad to send you \$5 honorarium.

Very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT D.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, October 20, 1909.*

Mr. J. P. DOTSON,

*President Crookston Times, Crookston, Minn.*

DEAR SIR: We wish to thank you for the information contained in yours of October 16, and in accordance with our understanding we send you herewith check for \$5.

Appreciating your promptness and courtesy, we are, very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT E.

[When the naval fleet made its famous trip around the world, it was accompanied by 27 colliers flying the flags of foreign nations. A navy without a supporting merchant fleet is a vain and empty show. We are paying foreigners \$300,000,000 annually—more than \$800,000 in gold each and every day—for doing work we largely should do ourselves. Every consideration of national safety, financial and military, demands that Congress immediately pass such legislation as will give the United States a powerful merchant marine, fitting its commercial importance and political dignity.]

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, October 12, 1909.*

DEAR CONGRESSMAN: We wish to call your especial attention to the October 1 issue of *The American Flag*, which has probably reached you by this time. The number is an 80-page review of the merchant-marine question from the foundation of the Government up to the present.

The effort has been to handle the subject in a frank, unprejudiced manner, and in consideration of the fact that merchant-marine legislation will be one of the most important questions before the next Congress we think that our little tabloid history is worthy of careful reading. We have taken occasion to "nail" several of the misstatements that have been persistently circulated in the South and Middle West by the foreign shipping combinations, namely:

- (1) That England does not subsidize her merchant marine.
- (2) That the Hamburg American Packet Company is not subsidized.
- (3) That the French subsidy system is a failure.

These old-time yarns have been exploded for all time.

We are pleased to state that the demand from every part of the country for constructive merchant-marine legislation is persistent and clamorous.

With kind regards, we are, very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT F.

[The agitation for the enactment of such legislation as will revive America's cross-seas marine is rapidly resolving itself into a question of "American Necessity v. Foreign Shipping Company Opposition." If the means now being utilized by the foreign shipping companies to prevent legislation are more powerful than an aroused public opinion, then we shall have no legislation and consequently no merchant marine. The distinctly foreign shipping companies that are being paid from \$150,000,000 to \$200,000,000 per annum for carrying on America's import and export carrying business, thereby deriving large gains, will not surrender even a portion of this trade to an American built, owned, and operated merchant marine without a bitter struggle. Which side will win, American necessity or foreign corruption?]'

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, December 18, 1909.*

Hon. HALVOR STEENERSON, *Washington, D. C.*

MY DEAR CONGRESSMAN: Inclosed please find copies of some correspondence. In the first place, there is a copy of a letter written to the St. Paul Pioneer Press, and, in the second place, a copy of a letter sent to several hundred people in the immediate vicinity of St. Paul.

We are going to keep up this campaign as far as Minnesota and St. Paul are concerned as long as they do, and we hope it will not be very long until the people of Minnesota learn some of the truth concerning this important question, and if they do not learn it from the newspapers they will learn it from some other direction.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

DECEMBER 14, 1909.

EDITOR ST. PAUL PIONEER PRESS,  
*St. Paul, Minn.*

DEAR SIR: The writer's attention has been brought to the editorial in your issue of December 4, and as he himself is a publisher he has long ago become convinced that misrepresentation and falsifying of records never succeeds, and that is one of the reasons why we have a right to believe that in the present campaign for a merchant marine we are going to win, viz, because those who are opposing us continue willfully to misrepresent and circulate statements which they either know are false, or, what is still worse, they write them without any knowledge of the circumstances.

You say in your editorial:

"The people will find it is on the cards that vast sums are to be poured out of the Public Treasury on the pretense of building up a merchant marine. Minnesota will be called upon to pay heavy tribute to a favored few in the East and along the Pacific."

Please let us advise you that the Humphrey bill, which is the only bill that has been favorably considered, contains the definite and exact provision that its operation shall not cost the people of this country one single dollar. To quote the words of Congressman McCleary, of your State, in a well-known speech on the subject: "It shall give back to the sea only what the sea earns." This amendment was added to the bill by Senator Culberson, of Texas, when it passed the Senate unanimously in the last Congress without a single objection by either Democrat or Republican. The provision reads as follows:

*"Provided, That the total expenditure for foreign mail service in any one year shall not exceed the estimated revenue therefrom for that year."*

When we remember that the present ocean mail act, to which the proposed measure is a very modest amendment, brings us in now between three and four million dollars a year net profit, and when we remember that it is not intended to establish any ocean mail lines except with those countries with which we now have no direct communication whatever, we think your statement is a malicious misrepresentation, because we can not believe that these facts which have been so frequently published are not known to you.

Your Congressman Stevens voted for this last bill in the last House largely because it contained that provision, and he and the balance of the Minnesota delegation (with the exception of one) will probably vote for it in the next House.

If, on the other hand, you can think of a measure which will as cheaply and effectively cause the immediate construction of 20 to 35 mammoth ships, costing from one to two million dollars apiece, over 80 per cent of which goes to labor and which will help to bring to our manufacturing enterprises and the workingmen of this country hundreds of millions of dollars as a result of the trade built up with foreign countries—if you can think of any other way equally as satisfactory as the ocean mail act which we propose, then the Merchant Marine League will indorse your measure and help to secure its passage.

As this organization is supported entirely by the voluntary contributions of disinterested patriotic citizens, and as we have never received a dollar from any ship-building or ship-operating concern in the world, we think this patriotism ought to be conceded by you and that we ought to be able to command the support of the Pioneer Press.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

The St. Paul Pioneer Press has been maintaining a very unfair and, in some respects, very malicious campaign against the movement to establish an American merchant marine, which, in every other nation but America is regarded as a most patriotic undertaking, and in its effort has published a great many untrue statements, refusing to publish the truth even when requested to do so.

We are making a list of a few hundred names in your vicinity to whom we are occasionally going to send letters in order that the people in your locality may know something of the truth regarding this question.

We inclose you copy of letter sent to the St. Paul Pioneer Press of this date.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

## EXHIBIT G.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
 OFFICE OF THE SECRETARY,  
*Cleveland, Ohio, January 11, 1909.*

Hon. HALVOR STEERNERSON,  
*House of Representatives, Washington, D. C.*

MY DEAR SIR: At the request of the executive committee of our league the writer desires to submit for your consideration the anxiety we are all feeling in regard to the action of your Committee on Post-Office and Post-Roads when there shall come before it for consideration the amendment to the ocean mail bill, which was reported out of the committee at the last session and defeated by a small majority of four in the House.

The almost unanimous action of some 80 organizations of business men in the United States, the fact that the only opposing force or influence against this measure is that of the foreign shipowners and ship operators, and the further fact that as, everybody knows, this bill if passed will be a most incalculable blessing to thousands of American manufacturers and hundreds of thousands of American workingmen in opening up markets for goods of American manufacture in South America, Australia, and other foreign points is the evidence which is inspiring thousands of business men of the Central West to band themselves together to urge upon Congress that they not longer postpone favorable action in their behalf.

We wish to most respectfully submit that the attitude of every President from Washington to Taft has been and is most friendly to merchant marine legislation; the declaration of the last Republican platform upon this subject was most emphatic; utterances of President-elect Taft in his speech of acceptance were of the most pointed and favorable character, and there does not seem to be one atom of opposition anywhere except on the part of our foreign friends who seem to be more active right now, if we can judge by what we read and hear, than at any previous time.

If you feel that it is consistent with your responsibility and position to give us an expression of your opinion upon this subject, we would indeed appreciate it very much.

Yours, most sincerely,

JOHN A. PENTON.

## EXHIBIT H.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
 OFFICE OF THE SECRETARY,  
*Cleveland, Ohio, January 14, 1909.*

Hon. HALVOR STEENERSON,  
*Washington, D. C.*

MY DEAR SIR: This is absolutely a nonpartisan organization in every way.

While it has some members in every State in the Union, the majority of its members live and do business in the Middle and Central States, and are not in anyway connected with or interested in ship-owning or ship-operating enterprises; but they are for the most part manufacturers, or those interested in mercantile enterprises, who appreciate the tremendous loss their own business and the business of the entire country is suffering because of the opposition of some few Congressmen to the country's appeal for help.

This organization is just now beginning to fully appreciate itself what this all means, and may mean to us in the future.

For that reason this work we are undertaking is upon a very large scale, and it is going to continue until through its influence the power of the foreign shipowner and ship-operator at Washington is destroyed, and this country and its business interests receive the consideration they have so long sought.

From now on, the work of drawing public attention to the fallacy of spending without a question hundreds of millions of dollars upon a canal, to benefit only foreigners in a commercial way, while refusing to pass an American measure that would be a blessing to the business interests of America and give employment to hundreds of thousands of American workmen, and which would not cost the taxpayers of this country a dollar, will be fully exposed.

Practically every business interest in America has begged for this legislation, and would have easily been able to secure it before this but for opposition to it in certain quarters.

Yours, most sincerely,

JOHN A. PENTON,  
*Secretary.*

## EXHIBIT I.

[If you want merchant-marine legislation and the consequent prosperity that will touch every American home, write your representative in Congress and tell him so. He can not know your views unless you make them known. He will be glad to hear from you, for his is a difficult task and he desires guidance. Make your influence felt. Strive for the restoration of the American flag on the salt seas. Put yourself in line with Cleveland, McKinley, Roosevelt, and Taft. Now is the time.]

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
OFFICE OF THE SECRETARY,  
*Cleveland, Ohio, July 13, 1909.*

Hon. HALVOR STEENERSON,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: As reflecting the rapidly growing sentiment in the West in favor of such legislation as will restore the merchant marine, we take occasion to send you inclosed editorial page of the Duluth News-Tribune, under date of July 3, containing an editorial, "New merchant-marine measure," to which we respectfully call your attention.

We are glad to be able to say that the increased interest in behalf of a revival of the merchant marine is not confined to Minnesota. There seems to be a sincere desire from every part of the country that Congress take such steps as will restore the flag to the salt seas.

Very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT K.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
OFFICE OF THE SECRETARY,  
*Cleveland, Ohio, August 2, 1909.*

Hon. HALVOR STEENERSON, M. C.,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: We take occasion to send you a page from the Atlanta Constitution, under date of July 26, containing a letter by the Hon. Robert J. Lowry, president of the Lowry National Bank, Atlanta, Ga., in which Mr. Lowry offers his views in connection with the restoration of the American merchant marine. He speaks from the view point of the southern business man. He says: "If a liberal ship-subsidy law was passed, the drain (on the resources of the American people) would cease, and it seems to me the duty of the southern people to send representatives to our National Congress pledged to some sort of subsidy measure."

Do you believe the views of Mr. Lowry should prevail? Can the merchant marine be restored without subsidies? If so, how? If a foreign-going marine is desirable, and if it can not be restored without subsidies, is not further opposition to the subsidy legislation captious and indefensible?

Very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT L.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
OFFICE OF THE SECRETARY,  
*Cleveland, Ohio, July 20, 1909.*

Hon. HALVOR STEENERSON, M. C.,  
*Washington, D. C.*

MY DEAR CONGRESSMAN: We send you editorial page of the Appleton (Wis.) Daily Post, July 15, containing editorial: "To Help a Good Cause."

This editorial is simply another straw indicating that the business interests of the country are fully alive to the importance of an American built, owned, and operated merchant marine.

\* We are getting letters from every part of the United States commending our work and urging that there be no let up in the campaign of education and agitation until Congress shall have taken such action as will give the nation its own foreign-going marine.

Very truly, yours,

JOHN A. PENTON, *Secretary.*

## EXHIBIT M.

[From resolution introduced in the House of Representatives by Mr. Hardy, December 17, 1909.]

[H. Res. 184, Sixty-first Congress, second session.]

Whereas certain newspapers, more especially the American Flag, published at Cleveland, Ohio, by the Merchants' Marine League of the United States, and the Texas Farmer, published at Dallas, Texas, have made serious charges against the honesty and patriotism of the House of Representatives and of the Members thereof, and have also charged the corrupt use of money in bribing and hiring the public press of the United States to oppose certain legislation, to wit, legislation known as the "ocean-mail bill," etc.

## EXHIBIT N.

FEBRUARY 27, 1909.

Hon. GUSTAV KÜSTERMANN,  
*House of Representatives,*  
Washington, D. C.

SIR: The writer has before him your communication of February 24, in reply to our letter of February 22, with reference to the ocean mail bill, now before Congress.

We note that you have avoided answering any of the questions asked and likewise have omitted any reference to the direct statements contained in our letter, but instead your communication contains a few glittering generalities and a number of personalities having no bearing whatever upon the subject under discussion.

You do, however, say in your letter, referring to your own bill before Congress, that "there appears to be a wonderfully widespread sentiment on the part of the voting population of the United States in favor of the measure and views I espouse, as opposed to the subsidy grabs which you are advocating."

In view of the fact that the measure which we are so warmly urging is along exactly similar lines and an amendment to that passed by Congress in 1891 and signed by Benjamin Harrison, then President of the United States, we wonder if you would refer to Benjamin Harrison as a "subsidy grabber."

In view of the fact that this bill has been warmly commended by the President of the United States, by the Vice-President, by all the members of the President's Cabinet, especially by Secretary Root, and has been passed unanimously by the United States Senate, we would like to inquire if you regard these gentlemen also in the class designated by you as "subsidy grabbers;" and if you would be willing to tell President Roosevelt, Secretary Root, and others who have so warmly advocated it as an absolute necessity that you regard them as being guilty of a crime of that character—and do it to their face.

In a few days the people of these United States are going to honor a distinguished gentleman in the person of William Howard Taft by formally installing him in the office of President, and if you do not know, you should know, that President-elect Taft in his speech of acceptance said of this bill now before Congress, as follows:

"The only respect in which nothing has been done is in the development of our foreign marine. As long as we uphold the system of protection for our home industries, we must recognize that it is applicable to assist those of our citizens engaged in the foreign shipping business, because there is no feasible means of excluding foreign competition, and that the only method of building up such a business is by direct aid in the form of a mail subsidy."

"I am in favor of the bill considered in the last Congress as a tentative step. The establishment of direct steamship lines between our Atlantic ports and South America would certainly do much to develop a trade that might be made far greater. On the Pacific the whole shipping trade threatens to pass into the control of Japan. Something ought to be done, and the bill which failed was a step in the right direction."

We would like to be advised if, when you meet Mr. Taft after he has formally become President, you would be willing to say to him that you regard him likewise as belonging to that questionable class of people who are faithless to the trust with which they are charged, and that in your judgment he is a "subsidy grabber."

This bill has likewise received after earnest consideration the warm approval of a large number of your colleagues—men whose character in Congress and out of Congress is above suspicion. Are we to infer that you regard them as being deserving of the dishonorable term used in your letter and subject to the suspicion which your communication indicates should be directed toward legislation of this character?

Do you mean to say that the Speaker of the House of Representatives, Hon. Joseph G. Cannon, has favored this measure because it is a "subsidy grab?" If so, would you dare to tell him?

This ocean mail act has been indorsed, approved, and urged upon your favorable consideration by practically every national association of business men in the United States, including the American Bankers' Association, the National Association of Manufacturers, the National Board of Trade, and a large number of others. Do you mean to say that your wisdom is so far superior to all these organizations combined—that it is a "subsidy grab" they favor, and that the thousands and hundreds of thousands of business men who are hoping Congress will act favorably in order that they may have direct facilities for carrying their mails, passengers, and commodities to South American and other countries where now we have no direct lines and no business, are all imbued with a dishonorable motive?

Do you mean to say that the gentlemen whose names appear on this letter head are "subsidy grabbers?" Do you mean to say that the officers of this league are "subsidy grabbers?" Do you dare to imply that in sacrificing their time, their money, and effort in behalf of American commerce, American manufactures, and the American flag they are all inspired by some mean, contemptible, and despicable self-interest of which every honorable man should be ashamed?

The vice-president of our league in your State of Wisconsin is Mr. W. H. Whiteside, president of the Allis-Chalmers Company, a plant employing from three to five thousand workingmen, and the writer would be willing to wager something that you would never stand and tell him face to face that he is either a "subsidy grabber" or a friend of "subsidy grabbing." The ninth district of Wisconsin would very quickly need another Congressman if you ever attempted it.

Just for your information I want to say to you that there is no section of the United States where the people are more thoroughly alive upon this subject than in your own State. There is no State in the Union in which there have appeared more frequently favorable editorials than in your own State, and such highly respected papers as the Milwaukee Wisconsin, the Appleton Post, the Janesville Gazette, and others have frequently published splendid editorials indicating a deep study of this entire subject in a way that ought to convince anyone but a highly prejudiced individual.

It seems to us that for anyone born and educated in Germany and who commenced his business career in Hamburg, where are located the headquarters of the great European steamship trusts, to come to this country and question the intelligence of its loyal citizens in advocating a measure in behalf of the American flag shows poor taste, to say the least.

The Küstermann bill, proposed by you and which is becoming more generally known as the "Hamburg bill," is of course very warmly indorsed and supported and urged upon the favorable consideration of Congress by the large and influential lobby representing the foreign shipowners and ship operators who are thronging the lobbies of the Washington hotels and of the Capitol. They and their friends in Congress are doing all they can by offering every sort of specious excuse in opposition to the proposed legislation which has been so earnestly urged by everybody who knows anything about it, and are trying to clog the wheels of legislation and prevent the Stars and Stripes flying at the mastheads of American steamships.

It has actually come to this: That representatives of the foreign governments, foreign shipowners, ship operators, and shipbuilders have the effrontery, right in the city of Washington, with the aid of those who favor legislation in their interest, to attempt to thwart the will of the great majority of the American people; but the writer wants to advise you that the Stars and Stripes in the future, as in the past, will always win out. Maybe not as soon as it would if not hampered by those who pretend to be its friends, but it will win; and a new day is about to dawn for our flag, as far as its commerce is concerned, in spite of the efforts of those who are working with you in Congress to further the interests of the foreign shipowners and ship operators. American commerce, American manufactures, American agriculture, and American labor are going to, before long, have a square deal.

Yours, very respectfully,

JOHN A. PENTON, *Secretary.*

## EXHIBIT O.

OFFICE OF THE MERCHANT MARINE LEAGUE, CLEVELAND, OHIO.

*To the friends of the American Flag:*

Inclosed is a copy of a letter sent to Congressman Gustav Küstermann, of Wisconsin, in reply to one received at this office from him in which he questions the integrity of those American citizens who are to be found in every walk of life in this country and who are intensely anxious to have an American merchant marine as a support to our navy and to carry our mails, passengers, and commodities to South America and other countries with which we now have no direct communication whatever.

The bill which Congressman Küstermann proposes is a visionary, impractical, and unpatriotic measure which those best informed upon the subject claim would not accomplish anything, and it is not indorsed by anyone who has given the subject study and thought.

On the contrary, the ocean-mail bill simply amends in one or two respects an important measure that has succeeded beyond the expectations of those who assisted in the passage of it in 1891, and it is not expected that its operation will cost the country anything.

The Merchant Marine League, representing as it does hundreds of millions of dollars of capital, manufacturers, employers, and employees, begs for your support to this most important measure which may open the door to a greater measure of prosperity to all our people.

## EXHIBIT P.

DECEMBER 15, 1909.

EDITOR OF THE SENTINEL,  
*Chippewa Falls, Wis.*

DEAR SIR: We note the item appearing in your issue of Thursday, December 9, in which you say as follows:

"Hon. Irvine L. Lenroot, of this district, says: 'I am opposed to a ship subsidy in any form and shall work and vote against any such measure that may be brought before the House. I do not consider it right that the public should be further taxed for private enterprise. Ship subsidies are certainly not a legitimate subject for further taxes.'

"The American merchant marine can be built up without a subsidy. The present navigation laws could be bettered, and by reducing the tariff on materials which enter into the construction of ships we could construct vessels as cheaply in the United States as in foreign countries."

Your Congressman states what he knows to be a deliberate falsehood when he states that "the people should be further taxed for private enterprise" if the proposed legislation were to become effective.

He knows, you know, and everybody else knows, who has given the subject a particle of consideration, that the ocean mail act now before Congress, against which he voted in the last session, was passed unanimously by the Senate of the United States after it had been amended by the senior Senator from Texas—a strong Democrat—to read as follows:

"Provided, That the total expenditure for foreign mail service in any one calendar year shall not exceed the estimated net revenue to be derived from that source for that year."

This amendment, therefore, provided that the bill should not cost the taxpayers of the country one single dollar.

Congressman Lenroot knows, you know, and everybody else knows, who knows anything about the subject, that the present ocean mail act, which is now in existence and which we desire to have slightly amended, was fought and opposed just as strongly in 1891 as the present one is; and its friends declared that it would not cost anything if put into operation and that the revenue derived from that bill would equal all the expenditure incurred under its provisions, and, as a matter of fact, the reports of the Postmaster-General go to show that it brings in a net revenue of three to four million dollars a year. It is only the desire of the friends of the American flag that that surplus revenue should be used from year to year to still further extend and build up our merchant marine.

It makes a remarkable picture to see a Congressman, who goes to Washington and votes for measures costing hundreds of millions of dollars, becoming frantic when a

measure is introduced that will have a far-reaching and beneficial effect upon American commerce, American manufacturers, and American workingmen, which is specifically provided shall not cost one cent.

A good many Congressmen in the United States try to strengthen themselves with their constituents by giving out hysterical interviews that will encourage the impression that they are wonderful economists and very much devoted to the interests of the country, when, as a matter of fact, they are playing into the hands of the foreign shipping trusts and insisting on robbing this country of hundreds of millions of dollars a year paid to the foreigners for carrying our own freight while we have practically no ships of our own.

We are sending a copy of this letter to 100 business men in your own city, because we feel that the policy of misrepresentation, which has gone about far enough in this connection in Wisconsin, has got to be checked.

We have got all the right, all the truth, and all the justice on our side of the argument, and we have long ago found by experience that there are only two kinds of people in America—those who are enthusiastically in favor of the extension of the present ocean mail act, which is not in any way a subsidy, and the other kind who know nothing whatever about it.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

#### EXHIBIT Q.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, —, —.

Inclosed is a copy of letter which I have this day sent to the editor of the Sentinel.

We are going to keep on writing letters to the business men of Wisconsin until there is a better understanding on this subject in their State.

The constant publication of misleading and untrue statements with reference to our merchant marine should be checked in a State that is as enterprising and as proud of its stand for a fair deal as your own, and some day Wisconsin and its people will realize some of the truths connected with this question.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

#### EXHIBIT R.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
Cleveland, Ohio, December 16, 1909.

Hon. GUSTAV KÜSTERMANN,  
Washington, D. C.

MY DEAR CONGRESSMAN: Inclosed are copies of letter sent:

First. To the editor of the Sentinel, Chippewa Falls, Wis., and,

Second. To several hundred business men in the Eleventh Congressional District.

We are going to keep up a campaign of education in your State along this line until the people begin to realize the truth.

Yours, most sincerely,

JOHN A. PENTON, *Secretary.*

#### EXHIBIT S.

[The Marion Daily Chronicle, Saturday, January 22, 1910.]

##### A DISGRACEFUL DICKER.

It is evident that very close relations exist between at least one of the northwestern so-called "insurgents" and the Democratic national organization. Clyde H. Tavenner, of Washington, maintains a press bureau at the national capital which works busily in the interests of the foreign shipping trust. This trust has a branch office at New York and has recently increased the freight rates from Europe to the United States, possibly to cover the heavy cost of the campaign against legislation in behalf of an American merchant marine. Mr. Tavenner also sends out printed matter showing that his work has the indorsement of the Democratic congressional committee.

Under date of October 29, 1909, Mr. Clark, Democratic leader in the House, writes: "I shall take a great deal of pleasure in helping you get a wider field for your letters, as I deem them of a great deal of assistance, indeed, to the Democrats, who are struggling here in the minority for Democratic principles." Recently Mr. Küstermann delivered a speech against the Humphrey ocean mail bill for the encouragement of the American merchant marine. His interest in the matter was so unusual that he could not wait until the measure was up for debate, but he rushed into print on the subject as soon as the bill, bearing the indorsement of President Taft and involving principles in legislation recommended by Presidents Harrison, Roosevelt, and McKinley, as well as in the last Republican national platform, was introduced. An advance copy of this speech was furnished the Tavenner-Clark-Hamburg-American press bureau. It went out from Washington to newspapers all over the country on January 7, with the information that the speech would be delivered in all probability on January 10. The special begins, "The Taft-Humphrey ship-subsidy bill received a severe pummeling in a speech delivered on the floor of the House by Representative Gustav Küstermann, of Wisconsin (Republican)." Then the Küstermann arguments in favor of the continued ownership and operation of all cross-ocean shipping by the subsidized companies of foreign lands is quoted.

In all this there is considerable significance. In his attacks on an administration measure, so characterized by the Democratic press bureau with which he is cooperating, Mr. Küstermann is quite evidently pulling in harmony with Champ Clark and his publicity organization. It is believed that the foreign shipping trust is a big contributor to the campaign fund of the minority's congressional committee. Senator Gore, in a speech made at Danville, Ill., the other day, doubtless reflected the intentions of the Democratic congressional committee, when he said that Republican Members of Congress who would vote against the measures supported by the Taft administration, especially the platform measures of the party, should not be opposed for reelection by the Democratic national organization. Has Mr. Küstermann a working understanding with Mr. Clark? It would seem so.

According to the Congressional Directory, Mr. Küstermann spent the first third of his life in Germany. He was educated at Hamburg, the headquarters of the great German shipping interests, which are so earnestly fighting legislation that would put a competitive fleet of American ships on the high seas. The second third of his life he spent in Wisconsin as a merchant. During the last third he has been almost continuously a Republican office holder. After being for twenty years a beneficiary of the Republican organization, sentiment, and discipline, we find Mr. Küstermann working in conjunction with the Democratic organization in the House to discredit a Republican platform and administration measure, find him lending himself to an attack on President Taft, whom he and the Clark-Hamburg-American-Küstermann bureau put in the light of urging legislation intended only for the benefit of grasping shipowners, legislation that is represented as a "grab" and a "graft." Küstermann is not content with doing what he can against the measure opposed by the foreign shipping trust, but he actively cooperates with a Democratic press bureau in an effort to discredit the organization of his party in Congress, its President in the White House, and the platform on which it succeeded in the last national campaign.

Now, this is all very fine for Mr. Küstermann. But at the White House he is a suppliant for official favors made possible by Republican and not Democratic success at the polls. Will the President—ought the President—comply with the recommendations of a Member of Congress who represents Germany and Missouri, and not the Wisconsin Republicans who elected him in Congress? What do the Democrats of Mr. Küstermann's district think of the evident deal between Champ Clark and Mr. Küstermann, whereby they are to be sacrificed to make a Hamburg holiday? Isn't it about time that this game of trying to work both sides of the political street was analyzed and rebuked in Wisconsin? If Mr. Clark is to control the vote and the influence of the Representative of this Wisconsin district, ought it not be a vote that belongs there by conviction and in accordance with party promises, rather than one cast in violation of party pledges and in attack upon the administration of the party the Congressman affects to represent? If twenty years of office holding by grace of Republican support has no bearing with Mr. Küstermann when he has held up to him this Gore-Clark proposal of Democratic support, ought it not have some weight with the real Republicans of his district? And do the Democrats of Mr. Küstermann's district like the idea of being traded off by Champ Clark—a district in which they have a good chance of winning out since Mr. Küstermann began to be a hyphenated Republican? And as for President Taft, will he continue to give countenance to the Republican status of a Congressman who is evidently to have the support of the Democratic organization and the foreign ship combination in return for his attacks on an administration and platform policy of the party in power? Are there other Wisconsin Congressmen, now voting and working with Champ Clark, in the same boat? Time will tell.

## A HAMBURG-AMERICAN.

The South Bend Tribune thinks that Congressman Küstermann, of Wisconsin, a Hamburg-American, properly interprets the Republican national platform when he proposes free trade in ships. American registry for ships with crews composed of foreigners, and the repeal of the "outrageous" navigation act which stipulates that the rations and quarters of sailors on American ships must be those of civilized men, as a means of building up an "American" merchant marine. In support of his contention Mr. Küstermann quotes statistics similar to those prepared and circulated some time ago by Herr Hulderman, secretary of the Hamburg-American Steamship Company, to show that mail subventions will not build up merchant marine. Wherefore is Herr Hulderman so much interested in fighting such legislation in the United States?

In the face of the fact that the bill which Mr. Küstermann and Mr. Hulderman and all the other Hamburg-Americans are opposing, limits the amount to be paid for carrying American mails under the American flag to the receipts of the Government under the act, Küstermann insinuates that the expenditures will run to two or three hundred million dollars a year, saying that some anonymous person has sent him circulars making such a suggestion; possibly it was "Ezra, King of Heaven."

While Mr. Küstermann opposes this measure he introduces a bill making an appropriation of the money of the people for a "suction seagoing dredge for the west shore of Lake Michigan," a "subsidy" solely for the shipowners of Küstermann's own district, beneficiaries of legislation which absolutely prohibits foreign competition under our lake and coastwise laws. Küstermann should be taken at his word and the slats kicked in on every bill he introduces for local improvement at the expense of landlubbers who have no money invested in the shipping of Lake Michigan. And if foreign control of our ocean shipping is a good thing, why does not Küstermann introduce a bill admitting foreign ships to the traffic of the Great Lakes, so that he can see the German flag over all the shipping of the near-by seas?

As an interpreter of Republican platforms we prefer President Harrison, President McKinley, President Roosevelt, and President Taft, all of whom strongly urged such legislation as the administration now recommends, to Mr. Küstermann, who came to the United States from Hamburg forty-one years ago, has been a Republican office-holder nineteen years of that time, and now knows better than all the Republican Presidents of the last quarter of a century as to what Republican doctrine is—votes with Champ Clark as evidence of good faith and hands out to his colleagues in Congress and works with the Democratic press bureau at Washington. The worst feature of Küstermann's whole performance is his claim that he wants the Hamburg-American line to have American opposition on the high seas.

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## EXHIBIT T.

Mr. Richardson, March 27, 1902, in support of his resolution to investigate and report on the truth or falsity of the charges contained in the secret report of Walter Christmas, an agent of the Danish Government, regarding the purchase by the United States of the Danish West Indian Islands, and which report has been published in Danish and American newspapers and which contained a statement that Christmas had agreed that he should retain 10 per cent of \$5,000,000 purchase money, with which sum of \$500,000 he was to reimburse himself for bribes to the Members of the United States Congress, said:

"Mr. Speaker, I believe I have nothing further to say. I believe that the resolution ought to pass unanimously. I believe they are worthy of the attention of the House. The charges may not be true. I do not vouch for their truth; but here they are, the report of our own agent and the report of the agent of the Danish Government. They ought to be investigated fully and a report be made. If the American Congress has been foully slandered, as I believe and as I hope the truth will show they have, no man will rejoice more than myself."

After some debate and correction of language of the resolution the same was put and agreed to.

## EXHIBIT U.

[The Chicago Daily Tribune, Friday, March 4, 1910.]

ACCUSES BACKER OF SHIP SUBSIDY.—CONGRESSMAN STEENERSON IN HOUSE CHARGES THE OCEAN GRAB LOBBY WITH INTIMIDATION.—AIMS AT MARINE LEAGUE.—MINNESOTAN CITES OWN CASE IN ASSERTING IMPROPER METHODS ARE USED TO FORCE LEGISLATION.

[By a staff correspondent.]

WASHINGTON, D. C., *March 3* (Special).—Specific charges that the Merchant Marine League of Cleveland is raising money from interested parties and trying to influence and intimidate Members of Congress to vote for the general ship subsidy grab are made in a resolution forced upon the House to-day by Congressman Steenerson, of Minnesota.

Mr. Steenerson demands a congressional investigation of the whole fight in behalf of ship subsidy. He charges that the league, which has become the head and front of the subsidy movement, not only is using improper means to win support for legislation in Congress but is carrying on campaigns against Members of Congress who refuse to indorse the grab bill.

## STEENERSON WANTS TO KNOW.

Mr. Steenerson demands the appointment of a committee of seven members to determine:

Whether a conspiracy exists for the purpose of promoting legislation in Congress and unduly influencing Members of Congress.

What funds have been raised for political agitation and for payment to political organizations.

What funds have been used to influence newspapers or create public sentiment in behalf of subsidy legislation.

Whether threats of libelous or scandalous articles or other intimidations have been used against Members of Congress.

Whether improper means have been used either to promote or defeat subsidy legislation.

The demand for an investigation is the result of what several Members of Congress describe as the threatening and blackmailing methods adopted by certain advocates of ship subsidy legislation to force the grab through Congress.

Following closely upon the high-handed methods used in the House committee which recently reported favorably upon the Humphrey ship subsidy bill, the demand for an inquiry comes as the result of activity by the Merchant Marine League, which has stirred up anger in the hearts of scores of Congressmen who have refused to support the measure.

## CITES HIS OWN EXPERIENCE.

Congressman Steenerson sums up in his resolutions his own experience. He declares that pursuant to a conspiracy on the part of the ship subsidy advocates, representatives of the league have repeatedly "solicited and urged the Member of this House from the Ninth Minnesota District to favor and support this legislation and to express himself thereon."

The Minnesotan charges further that money was sent to a resident of his home town (Crookston) to obtain information about his private affairs, "especially as to his travels and trips abroad."

"After obtaining said information," says the resolution, "said persons caused said Member to be informed that said information was to be used in articles to appear and be published in the public press, all of which was done by said persons in furtherance of said conspiracy and to intimidate, terrify, and influence said member by fear to change his position on said legislation."

Mr. Steenerson further alleges that "said persons are threatening to continue said blackmailing campaign in order to terrify and intimidate said Member."

## STIRS MINNESOTAN TO ACTION.

Because of the charges by the subsidy advocates that he had been working in behalf of certain shipowners and ship companies in opposing subsidy legislation, Mr. Steenerson demands that both sides of the question be thoroughly investigated.

The Steenerson resolution was introduced in the House in open session on a question of general privilege. Speaker Cannon refused to permit its introduction in this way on Tuesday, when the Minnesotan demanded recognition on a matter of personal privilege. The publication of certain articles in the American Flag, the organ of the Merchant Marine League, he held to be derogatory to him.

The Speaker would not recognize this point to-day, and Mr. Steenerson then demanded recognition on the ground that the conspiracy which he alleged to exist in favor of the subsidy grab reflected upon the honor of the House as a whole. The resolution was admitted and referred to the Judiciary Committee.

The advocates of the grab legislation were plainly agitated over the sudden attack made upon the principal organization of the subsidy fight. It already has been suggested that the resolution will not be permitted to emerge from the Judiciary Committee, but the temper of certain Members now is such that an attempt to smother would be followed by a revolution on the floor or the House.

#### HUMPHREY BILL IS NURSED.

The Humphrey subsidy bill still is carefully nursed by its friends, who hope for an opportunity to bring it before the House. Since the committee "railroaded" it through, however, the popular indignation against the procedure has been reflected so strongly in Washington that friends of the bill have been afraid to make any serious attempt to pass it.

The Merchant Marine League has developed into a formidable organization. It is carrying on a fight for subsidy in a well-organized and expensive manner. At least one former Member of Congress who has held high office in the Government is devoting most of his time to lecturing and writing under the auspices of the league.

The moderate mail subsidy provided for in Senator Gallinger's bill, introduced last week, was approved by the Senate Committee on Commerce to-day. The measure was recommended for passage in the Senate with but one dissenting vote in the committee.

The subsidy advocates are not content to have this legislation take the place of the comprehensive subsidy plan embraced in the Humphrey bill, but the Gallinger bill promises to be the only legislation bearing any resemblance to a ship subsidy grant that can be passed this year. It seeks to increase the subsidies paid to second and third class vessels operating to South American ports and to the Panama Canal Zone.

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#### TRIBUNE EXPERIENCE RECALLED.

The Tribune has had some experience with the Merchant Marine League of Cleveland, at which Congressman Steenerson is aiming in his resolution. Its secretary, John A. Penton, has conducted a campaign of abuse and threats against this newspaper because it has fought the ship subsidy graft from its inception.

The last time Mr. Penton threatened this newspaper openly was in a letter written last January and published in The Tribune under the title "A Letter from a Lickspittle." The Tribune then said of Mr. Penton:

"The following letter is from a Uriah Heep, who makes a living scooping the crumbs from the tables of the rich men in Cleveland, while he dusts their shoes with his other hand.

"So far as the letter which we publish is concerned we must add him to the increasing number of self-seeking citizens who lie. He attacks all the business interests of Chicago. Our recollection of his connection with the business interests of Cleveland is that he earns his living by publishing biased information as if it came from disinterested sources."

#### SHOWS BULLDOZING TACTICS.

Mr. Penton's letter said that the Washington correspondent of the Tribune "shows the usual measure of ignorance and maliciousness in keeping up this warfare in spite of the known attitude of the business interests of your city and State on this important subject."

Then he adds, as a final warning:

"We are sending a copy of this letter to all members of the Illinois Manufacturers' Association, who have time upon time again adopted resolutions in favor of our Government doing something to bring about a change in the present fearful conditions."

## EXHIBIT W.

THE MERCHANT MARINE LEAGUE OF THE UNITED STATES,  
*Cleveland, Ohio, November 18, 1909.*

Mr. H. A. FOELLER (FOELLER & SCHOBER),  
*Green Bay, Wis.*

DEAR SIR: We have yours of November 12, in which you ask that we discontinue sending to you the American Flag, the official bulletin of the Merchant Marine League of the United States.

The Merchant Marine League may not be able to convert you to the cause of such legislation as will restore America's merchant marine, but we are happy to say that this little booklet which you say is an insult to the American flag will have been the means of thoroughly defeating the subsidized and retained congressional representatives of the foreign shipping interests who have deliberately deceived their constituents for years and who have practiced fraud and infamy in their attack on the American flag, and whose real loyalty is to Hamburg, Germany, instead of to the United States.

While it is true that you may be a decent citizen, yet you are not the only one in the country. There are thousands of men who probably consider themselves just as good morally as you consider yourself who are heartily in sympathy with every word uttered in the last number of the American Flag. The truth with you is that you have been deceived—grossly deluded—and that the truth hurts; in other words, you have been "stung." It is not likely that you know very much about the merchant-marine question or you would not become so indignant in your defense of those men who have treacherously struck at the flag of the United States.

Yours, very truly,

JOHN M. MAXWELL,  
*Editor American Flag.*

